

14
No. 96-1768-CFX

Title: C. Elvin Feltner, Jr., Petitioner
v.
Columbia Pictures Television, Inc.

Docketed:
May 6, 1997

Court: United States Court of Appeals for
the Ninth Circuit

Entry Date

Proceedings and Orders

May 6 1997	Petition for writ of certiorari filed. (Response due June 5, 1997)
Jun 5 1997	Brief of respondent Columbia Pictures Television in opposition filed.
Jun 16 1997	Reply brief of petitioner C. Elvin Feltner filed.
Jun 18 1997	DISTRIBUTED. September 29, 1997
Aug 20 1997	Copy of USDC complaint requested.
Aug 21 1997	Amended complaint received.
Sep 29 1997	Petition GRANTED. In addition to the questions presented by the petition, the parties are requested to brief and argue the following question: "Whether 17 U.S.C. Section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement." The brief of petitioner is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Thursday, November 13, 1997. The brief of respondent is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Monday, December 15, 1997. A reply brief, if any, is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Monday, January 5, 1998. Rule 29.2 does not apply. SET FOR ARGUMENT January 21, 1998. *****
Nov 12 1997	Motion of Howard B. Abrams for leave to file a brief as amicus curiae filed.
Nov 13 1997	Brief of petitioner C. Elvin Feltner filed.
Nov 13 1997	Joint appendix filed.
Nov 24 1997	Record filed.
Nov 24 1997	Record filed.
Dec 1 1997	Motion of Howard B. Abrams for leave to file a brief as amicus curiae GRANTED.
Dec 10 1997	CIRCULATED.
Dec 15 1997	Brief of respondent Columbia Pictures Television, Inc. filed.
Dec 15 1997	Brief amicus curiae of American Society of Composers, Authors and Publishers ASCAP filed.
Dec 15 1997	Brief amicus curiae of International Anticounterfeiting Coalition, Inc. filed.
Dec 15 1997	Brief amici curiae of National Football League, et al. filed.
Dec 18 1997	Motion of American Intellectual Property Law Association for leave to file a brief as amicus curiae filed.
Jan 5 1998	Reply brief of petitioner C. Elvin Feltner filed.
Jan 12 1998	Motion of American Intellectual Property Law Association for leave to file a brief as amicus curiae GRANTED.
Jan 21 1998	ARGUED.

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961768 MAY 6 1997

OFFICE OF THE CLERK

No. 96-____

IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

**Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether—as the Fourth, Seventh, and Eighth Circuits have held—the Seventh Amendment to the United States Constitution guarantees the right to trial by jury when the plaintiff in a copyright infringement action seeks statutory damages under 17 U.S.C. § 504(c), or whether—as the First, Second, Fifth, Eleventh, and now Ninth Circuits have held—there is no constitutional right to a jury trial in such a case.

PARTIES TO THE PROCEEDINGS

C. Elvin Feltner, Jr. was defendant-appellant below and is the petitioner in this Court.

Krypton Broadcasting of Birmingham, Inc., Krypton Broadcasting, Inc., Krypton International Corporation, Krypton Broadcasting of Ft. Pierce, Inc., Krypton Broadcasting of Jacksonville, Inc., North Florida 47, Inc., WTWV, Inc., Daniel S. Dayton, and Alfred F. DeCuir were defendants below. Krypton International was also an appellant below on issues unrelated to the question presented here. App. 2a n.2.

Columbia Pictures Television, Inc. was the plaintiff-appellee below and is the respondent in this Court.

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C. ELVIN FELTNER, JR.,

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COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

**Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

PETITION FOR A WRIT OF CERTIORARI

C. Elvin Feltner, Jr. petitions for a writ of certiorari to review the judgment of the Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 106 F.3d 284 and is reprinted in the appendix hereto ("App.") at 1a. The order of the District Court awarding judgment to respondent is unreported and is reprinted at App. 21a. The order of the District Court denying petitioner's motion for a jury trial was rendered orally; the docket entry evidencing that ruling is reprinted at App. 24a. The order of the District Court granting summary judgment in favor of respondent on the question of liability is unreported and is reprinted at App. 25a.

JURISDICTION

The judgment of the Court of Appeals was entered on February 6, 1997. App. 1a. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Seventh Amendment to the United States Constitution provides:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Section 504(c) of Title 17, U.S.C., provides, in pertinent part:

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages * * * in a sum of not less than \$500 or more than \$20,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware of and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than \$200.

INTRODUCTION

This petition asks the Court to resolve a longstanding, divisive conflict among the courts of appeals over the resolution of an important constitutional issue affecting the administration of the Nation's copyright law: whether the Seventh Amendment guarantees the right to a jury trial when a copyright plaintiff seeks statutory damages pursuant to 17 U.S.C. § 504(c). Eight circuit courts have now decided the question, and they are hopelessly divided. Five circuits, including the Court of Appeals in this case, have held that there is no such right, while three circuits have held that there is. This Court should resolve the conflict to ensure that the Constitution is applied uniformly throughout the Nation.

STATEMENT OF THE CASE

Petitioner Feltner owns Krypton International Corporation ("Krypton"), which in 1990 acquired three television stations in the southeastern United States. Respondent Columbia Pictures Television, Inc. ("Columbia") had licensed several television shows to the stations. Prior to Krypton's acquisition of the stations, Krypton and Columbia entered into discussions about restructuring the licensing arrangements, and protracted negotiations over such a restructuring continued from March 1990 until December 1991. During the course of those negotiations Columbia purported to terminate the licensing agreements, and filed suit when the stations—relying on the ongoing negotiations—continued to broadcast the programs. Columbia initially sued Feltner, Krypton, various Krypton subsidiaries, and certain Krypton officers under a variety of theories, but during the course of the litigation dropped all claims except its copyright infringement claims against Feltner.

The District Court entered summary judgment on liability in favor of Columbia on these claims, finding Feltner liable for copyright infringement arising from the television stations' airing of various episodes from four shows—"Who's The Boss?," "Silver Spoons," "Hart to Hart," and "T.J. Hooker." Pursuant to Section 504(c) of the Copyright

Act, Columbia thereupon elected statutory damages in lieu of actual damages. Under that provision, a "copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages * * * of not less than \$500 or more than \$20,000 as the court considers just." 17 U.S.C. § 504(c)(1). Section 504(c)(2) goes on to provide that "where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages" to not more than \$100,000, while "where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages" to not less than \$200. *Id.* § 504(c)(2).

Feltner demanded a jury trial on the various issues pertinent to the assessment of damages under Section 504(c), and Columbia filed a motion *in limine* requesting that the court reject Feltner's demand. R. 209. Feltner opposed that motion, arguing that he was entitled to a jury trial on the issue of statutory damages both as a matter of statutory interpretation and as a matter of constitutional right under the Seventh Amendment. Memorandum of Points and Authorities in Support of Defendant's Opposition to Plaintiff's Motion in Limine to Exclude Consideration of Defendant's Counterclaims and Motion to Confirm Bench Trial at 4-7 (Nov. 23, 1993). Over Feltner's objection, the District Court on December 13, 1993 granted Columbia's motion for a bench trial on the various issues pertinent to an assessment of statutory damages under Section 504(c). App. 24a. The court then held a two-day bench trial at which it heard witnesses and considered evidence on the issues of, *inter alia*, willfulness and innocent infringement. After trial the court concluded that Feltner had not established that his infringement was innocent and instead that Columbia had proved that the infringement was willful under Section 504(c)(2). The court found that each episode of the various television series aired by each station constituted a separate

violation, for a total of 440 acts of infringement, and fixed the statutory damages at \$20,000 per violation. Accordingly, the court awarded Columbia \$8,800,000 in damages, plus attorneys' fees. App. 21a.

On appeal, Feltner renewed his argument that he was entitled to trial by jury on the statutory damages issues, both as a matter of statutory interpretation and under the Seventh Amendment. App. 11a. The Court of Appeals rejected both arguments. First, relying on *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977), it held that Congress did not intend for a jury to play any role in the assessment of statutory damages under Section 504(c). App. 11a-12a. The court then turned to Feltner's constitutional argument, concluding that "we agree with those cases holding that the Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages because an award of such damages is equitable in nature." App. 12a. The court cited cases from the Second, Fifth, and Eleventh Circuits, as well as the District of Delaware, in support of its holding. *Id.* (citing *Cable/Home Communication Corp. v. Network Prods., Inc.*, 902 F.2d 829, 852-853 (11th Cir. 1990); *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D. Del. 1990)).

The court, however, specifically acknowledged the conflict among the circuits on the question whether the Seventh Amendment guarantees a right to a jury trial on the issue of statutory damages, citing decisions from the Fourth and Eighth Circuits and the District of New Jersey as "holding that Seventh Amendment provides right to have jury assess statutory damages," contrary to its own holding and the holdings of the cases on which it relied. App. 12a (citing *Cass County Music Co. v. C.H.L.R., Inc.* 88 F.3d 635 (8th Cir. 1996); *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117, 119-121 (4th Cir. 1981); *Educational Testing Servs. v. Katzman*, 670 F. Supp. 1237 (D.N.J. 1987)). The Ninth Circuit also noted the conflicting decision of the Seventh

Circuit in *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1014-16 (7th Cir.), *cert. denied*, 502 U.S. 861 (1991), which it described as "holding that the amount of statutory damages is decided by the court but the issue of willfulness should be tried to the jury." App. 12a.¹

The Ninth Circuit then went on to uphold the District Court's finding of willfulness. The court ruled that "Feltner's arguments, at best, demonstrate that the facts presented to the district court were susceptible to more than one interpretation," and concluded that "we cannot say that the district court's finding was clearly erroneous." App. 13a. The Court of Appeals rejected Feltner's challenge to the amount of the award, finding the award of \$20,000 per violation to be "well within the statutory limits and * * * not an abuse of discretion." App. 18a.²

¹ The Court of Appeals quite rightly did not accept Columbia's suggestion that it could avoid the issue because the District Court's award was \$20,000 per violation, which the District Court could have awarded under Section 504(c) without an enhancement for willfulness. As Feltner explained, the District Court also rejected Feltner's claim of innocent infringement, and in any event the finding of willfulness plainly factored into the ultimate award, which was determined by the court rather than a jury as Feltner had requested.

² Feltner also challenged the District Court's award of attorneys' fees, on the ground that the court failed to provide any explanation for its award. The Court of Appeals agreed that this was error, vacated the award of fees, and remanded so that the District Court could provide a reasoned explanation for its award. App. 19a. The pendency of these wholly collateral proceedings do not affect the finality of the Court of Appeals' judgment or this Court's jurisdiction to entertain this petition. *See, e.g., Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 390 (1990) (reviewing court of appeals' judgment notwithstanding remand on attorneys' fee issues); *Budinich v. Becton Dickinson & Co.*, 486 U.S. 196 (1988) (attorneys' fee issues are collateral to merits); *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959) (reviewing court of appeals' refusal to issue writ of mandamus requiring jury trial); *see also* 28 U.S.C. § 1254 (Supreme Court has jurisdiction to review any "[c]ases in the courts of appeals").

REASONS FOR GRANTING THE WRIT

The question presented by this case is straightforward: In a copyright infringement action where the plaintiff elects to seek statutory damages pursuant to 17 U.S.C. § 504(c), does the defendant have a right to a trial by jury? While this legal question is simple to state, its resolution has provoked an irreconcilable and enduring conflict among no fewer than eight circuit courts. Including the Court of Appeals in this case, five circuits—the First, Second, Fifth, Ninth, and Eleventh—have held that there is no right to a jury trial on any issues when a copyright plaintiff elects statutory damages. Three circuits—the Fourth, Seventh, and Eighth—have held that the Seventh Amendment guarantees such a right, with the Seventh Circuit adopting a hybrid view that guarantees a jury trial on all issues except the amount of damages. This stark conflict over an important issue of constitutional law has been expressly acknowledged by the circuit courts, and has deepened in recent years with no prospect of resolution unless this Court intervenes. The question is squarely presented in this case. Accordingly, the Court should grant certiorari to resolve this longstanding conflict and ensure that the Seventh Amendment is applied uniformly throughout the lower courts.³

³ In addition to the conflict on the Seventh Amendment question, there is confusion in the lower courts as to whether Section 504(c) itself guarantees a jury trial. Most courts have held that the statute does not resolve the question. *See, e.g., Cass County*, 88 F.3d at 641; *Video Views*, 925 F.2d at 1013-14; *Gnosso*, 653 F.2d at 119. Other courts have held that the statute requires a bench trial. *See, e.g., Sid & Marty Krofft*, 562 F.2d at 1177; *Oboler*, 714 F.2d at 213. And at least one court has held that the statute requires a jury trial. *See Mail & Express Co. v. Life Pub. Co.*, 192 F. 899, 900 (2d Cir. 1912) (construing predecessor to Section 504(c)); *see also* William Patry, *The Right to a Jury in Copyright Cases*, 29 J. Copyright Soc'y 139 (1981) (concluding that Congress intended to preserve right to a jury trial in actions seeking statutory damages).

This Court has made clear that this statutory question should be addressed before any Seventh Amendment inquiry. *See Tull v. United States*, 481 U.S. 412, 417 n.3 (1987); *Lorillard v. Pons*,

I. THE COURT SHOULD RESOLVE THE LONGSTANDING, IRRECONCILABLE, AND WIDESPREAD CONFLICT AMONG THE CIRCUIT COURTS ON THE QUESTION PRESENTED

Section 504(c)(1) of the Copyright Act of 1976 provides, in pertinent part, that a copyright owner "may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages * * * in a sum of not less than \$500 or more than \$20,000 as the court considers just." 17 U.S.C. § 504(c)(1). If the copyright owner proves that the infringement was willful, the maximum statutory damages are increased to \$100,000, while if an infringer proves that the infringement was innocent, the minimum statutory damages are decreased to \$200. *Id.* § 504(c)(2).

As explained below, the circuit courts are sharply divided over whether the Seventh Amendment guarantees a right to a jury trial when a plaintiff elects such statutory damages and, if there is such a right, whether it extends to all or only some issues under Section 504(c). The issues to be determined under Section 504(c) include whether the infringement was innocent, whether it was willful, and what amount of damages should be assessed. Five circuits have held that there is no right to a jury trial on any issues, two circuits have held that there is a right to a jury trial on all issues, and one circuit has held that there is a right to a jury trial on all issues except the amount of damages. The opinions from these courts leave no doubt as to the existence of an irreconcilable conflict that only this Court can resolve.

A. The Conflict Is Widespread And Persistent

1. The circuit courts have adopted three distinct positions on the question presented here. The view espoused by

434 U.S. 575, 577 (1978). Accordingly, while this petition focuses on the widespread conflict on the Seventh Amendment question, the statutory issue is "fairly included within" the question presented. S. Ct. Rule 14.1(a).

the Court of Appeals in this case—that the Seventh Amendment does not guarantee a right to a jury trial on any issue when a plaintiff elects statutory damages—was first articulated by the First Circuit in *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77 (1st Cir. 1957). The court in that case—after noting that the seeming simplicity of the issue was "deceptive," *id.* at 78—held that a claim seeking statutory damages is "in its entirety a claim invoking the equity jurisdiction of the district court, so that defendant had no right to demand a jury trial in any aspect of the claim." *Id.* at 81.⁴

The next circuit court to address the issue was the Fifth Circuit in *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6 (5th Cir. Unit B May 1981) (per curiam). In that case, in which the plaintiff sought statutory damages under Section 504(c), the court rejected the defendants' argument that they were entitled to a jury trial, holding that "[t]he whole case before the Court [is] equitable in nature as to which the appellant had no constitutional or statutory right to a jury trial." *Id.* at 7 (citing *Chappell*).

The Fifth Circuit's decision was binding on the Eleventh Circuit. *Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981) (en banc). Thus, in *Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829 (11th Cir. 1990), the Eleventh Circuit expressly followed *Twentieth Century Music* and extended its holding to the statutory damages provision of the Communications Act of 1934. As the court held, "the latitude granted the district court's great discretion in awarding damages does not entitle defendants to a jury or bench trial as to an award of damages within the statutory limits of both the Copyright Act and the Communications Act, provided that the parties may

⁴ *Chappell*, unlike the other circuit court cases discussed below, was decided under the Copyright Act of 1909. The 1909 Act was replaced by the Copyright Act of 1976, but the two statutes contain nearly identical statutory damages provisions and no court has ever suggested that such differences affect the Seventh Amendment issue. See *Cass County*, 88 F.3d at 639 n.2.

submit all of their supporting evidence to the district court." *Id.* at 852-853.

The Second Circuit weighed in on the issue in *Oboler v. Goldin*, 714 F.2d 211 (2d Cir. 1983) (per curiam). In that case, the court vacated a district court's directed verdict on damages because the plaintiff had not made an election as to actual or statutory damages. In doing so, the court noted that an election of statutory damages would not necessitate a new trial because "[t]he determination of statutory damages, including a fivefold increase in the maximum award if the plaintiff proves and the court finds willful infringement, is assigned by statute to the judge rather than the jury." *Id.* at 213. As support for this proposition, the court cited a commentator who had contended that this was perhaps the "better view," see 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.04[C] at 14-63 (1996), but the Second Circuit expressly noted that the Fourth Circuit had reached the opposite conclusion in *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117 (4th Cir. 1981) (discussed *infra*). See *Oboler*, 714 F.2d at 213 (citing *Gnossos* and earlier edition of Nimmer).⁵

In the present case, the Ninth Circuit firmly aligned itself with this view. After rejecting petitioner's statutory argument on the authority of its prior holding in *Sid & Marty*

⁵ Thus, although the *Oboler* court did not expressly refer to the Seventh Amendment, its citations indicate that it considered the constitutional issue. Subsequent cases, moreover, have confirmed that *Oboler* forecloses any attempt in the Second Circuit to demand a jury trial where statutory damages are sought. See, e.g., *Janus Films, Inc. v. Miller*, 801 F.2d 578, 580 (2d Cir. 1986) (noting that district court struck jury demand under *Oboler*); *Latin American Music Co. v. Spanish Broadcasting Systems, Inc.*, 866 F. Supp. 780, 782 & n.1 (S.D.N.Y. 1994) ("[The plaintiff's] argument that it is entitled to a jury trial even with respect to its claim for statutory damages is frivolous, in light of the Second Circuit cases that are directly on point.") (citing *Oboler*); *Broderbund Software, Inc. v. Megatronics, Inc.*, 859 F. Supp. 640, 640 (E.D.N.Y. 1994) ("Because plaintiffs seek injunctive relief and statutory damages * * * defendants are not entitled to a jury trial.") (citing *Oboler*).

Krofft Television Productions, Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977), the court below held:

As for Feltner's contention that the district court's ruling deprived him of his Seventh Amendment right to a jury trial, we agree with those cases holding that the Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages because an award of such damages is equitable in nature. [App. 12a.]

As support for its holding, the court cited the Eleventh Circuit's decision in *Cable/Home*, the Second Circuit's decision in *Oboler*, and the Fifth Circuit's decision in *Twentieth Century Music*, as well as a district court decision from the Third Circuit, *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D. Del. 1990). However, in "agree[ing] with those cases holding that the Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages," the court expressly acknowledged that three other circuits had reached a contrary conclusion. See App. 12a. As explained below, the holdings of those circuits—the Fourth, Seventh, and Eighth—sharply diverge from the holding of the Court of Appeals in this case.

2. As the Court of Appeals recognized, two circuits have reached the opposite conclusion that the Seventh Amendment guarantees the right to a jury trial on all issues when a plaintiff seeks statutory damages under Section 504(c). In *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117 (4th Cir. 1981), the Fourth Circuit held that the Seventh Amendment compels a jury trial in such cases because (among other reasons) "a civil action seeking damages for copyright infringement under 504(c) is basically an action for the enforcement of a legal right," and because Section 504(c) "provides a remedy of a type which traditionally would have been enforced at law." *Id.* at 120. Therefore, the court concluded, the Seventh Amendment "mandates a trial by jury" on all issues when a plaintiff elects statutory damages. *Id.* at 121.

The conflict on this question, which had been brewing at least since *Gnossos*, came to a head last year when the Eighth

Circuit entered the mix in *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996). In that case, the court—summarizing the six other circuit court decisions that had decided the issue as of that time—expressly noted “the diverging opinions of our sister circuits” on the question “whether a party is entitled to a jury trial in a copyright infringement suit when the plaintiff seeks statutory damages as a remedy.” *Id.* at 640. Addressing the question for itself, the court concluded in a thoroughly-reasoned opinion that “either party in a copyright infringement suit is entitled under the Seventh Amendment to a jury trial on demand,” regardless of whether the plaintiff seeks actual or statutory damages. *Id.* at 644. The court made clear that, in its view, the right to a jury extends to *all* issues, including the amount of statutory damages. The Court noted that there is “fact-finding involved in fixing a damage award within the [statutory] range,” and that the plaintiff had “alleged facts that a jury might well find relevant in selecting a figure between \$500 and \$20,000,” including assertions that the plaintiff did not profit from the infringements. *Id.* at 643-644. Thus, the court held that “[a] party should be entitled to have a jury make factual findings relevant to determining the amount of damages to be assessed, whether they are actual damages or statutory damages.” *Id.* at 644.

In rejecting the views of the circuits finding no such right, the Eighth Circuit relied on several points. Applying the relevant factors identified in this Court’s Seventh Amendment decisions, the court first noted that “patent and copyright infringement actions are sufficiently analogous to conclude that, as patent infringement is a legal action to be tried to a jury, so is copyright infringement.” *Cass County*, 88 F.3d at 642. The court next noted that “the assessment of damages, whether actual or statutory * * * is easily performed by a jury in the ordinary copyright infringement case.” *Id.* Finally, the court considered the nature of the statutory damages remedy and concluded, like the Fourth Circuit in *Gnossos*, that “as is true with most money damages, statutory damages for copyright infringement are a legal remedy.” *Id.* at 643. In so holding, the court relied on

the fact that statutory damages in copyright actions are intended “not only to put the plaintiff in the position he would have been but for the infringement, but also, and arguably preeminently, to punish the defendant * * *.” *Id.* Accordingly, because “the award of punitive damages traditionally is a jury matter,” the court held that the question of statutory damages must be left to the jury as well. *Id.*

3. The Seventh Circuit has staked out yet another position. In *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010 (7th Cir.), *cert. denied*, 502 U.S. 861 (1991), the court noted that whether there is a right to a jury trial when a copyright plaintiff elects statutory damages “has been the subject of some conflict among (and within) the circuit courts of appeal that have touched upon it.” *Id.* at 1014 (citing, *inter alia*, *Chappell*, *Oboler*, *Gnossos*, *Twentieth Century Music*, and *Cable/Home*). The court then held that there is no right to have a jury determine the *amount* of statutory damages, but that the Seventh Amendment guarantees a jury trial on all other issues—including the questions of infringement and willfulness. As the court held:

We conclude that, when monetary damages of any kind are sought, the issues of infringement and willfulness are for the jury to resolve. The fact that the district court is given the responsibility to assess the statutory damages does not, without more, transform the proceeding—one in which monetary relief is sought—from one legal in nature to one equitable in nature. [*Id.* at 1016.]

In reaching this conclusion, the Seventh Circuit first held that “it is for the district court and not for a jury to determine the appropriate award of statutory damages,” expressly noting that its conclusion conflicted with the Fourth Circuit’s holding in *Gnossos*. *Id.* at 1014. The court then applied the three-factor test suggested by this Court in *Ross v. Bernhard*, 396 U.S. 531, 538 n. 10 (1970),⁶ and held that there is a right

⁶ That test considers (1) custom before the merger of law and equity; (2) the nature of the remedy sought; and (3) the practical abilities and limitations of juries. *Id.*

to a jury trial on the "underlying factual issues of infringement and willfulness." 925 F.2d at 1014. Like the Fourth Circuit in *Gnossos* and the Eighth Circuit in *Cass County*, the Seventh Circuit concluded that these issues are not beyond the practical abilities of juries, *id.* at 1015; that an action for copyright infringement "is analogous to recovery for a number of tort actions recognized at common law," *id.* (quoting *Gnossos*, 653 F.2d at 120); and that the statutory damages remedy was intended in part to serve the goals of deterrence and punishment, which are generally considered legal remedies requiring a jury, *id.* at 1016.

The Seventh Circuit, however, did not explain why these same considerations did not also guarantee a right to a jury trial on the question of the *amount* of statutory damages. We believe the Seventh Circuit's reasoning compels the conclusion that a jury trial is required on *all* issues when a plaintiff seeks statutory damages, and would therefore urge the Court to adopt the position of the Fourth and Eighth Circuits. But even if the Court were to adopt the Seventh Circuit's approach in this case, the judgment below could not stand. In this case, unlike in *Video Views*, the district judge denied a jury trial on any issues relating to the imposition of statutory damages, including the critical questions of willfulness and innocent infringement. The Court of Appeals upheld this ruling, and affirmed the District Court's willfulness findings under the "clearly erroneous" standard of review. App. 13a. Accordingly, even under the Seventh Circuit's hybrid approach, Feltner was improperly denied a jury trial on these factual issues.

4. In light of the sharply diverging holdings of the eight circuit courts that have considered the issue, the existence of a conflict on the question presented cannot be disputed. Ever since the conflict first surfaced with the Fourth Circuit's decision in *Gnossos*, every circuit to have independently addressed the issue—including the Court of Appeals in this case—has expressly noted the conflicting views of the other circuits without attempting to distinguish the facts of those cases in any way. See App. 12a; *Cass County*, 88 F.3d at

640; *Video Views*, 925 F.2d at 1014; *Oboler*, 714 F.2d at 213. Indeed, the Eighth Circuit recognized "the diverging opinions of our sister circuits," *Cass County*, 88 F.3d at 640, and the Seventh Circuit noted that the "question has been the subject of some conflict among (and within) the circuit courts of appeal that have touched upon it." *Video Views*, 925 F.2d at 1014. Numerous district courts have likewise noted the existence of the sharp conflict,⁷ as have numerous commentators.⁸ The commentators are themselves divided

⁷ See, e.g., *Wood v. Crosby Arboretum Foundation*, 793 F. Supp. 716, 716-717 (S.D. Miss. 1992) (noting the "divergence of opinion within the various circuits"); *Raydiola*, 729 F. Supp. at 373 ("The lower courts are divided on the question of whether there is a Seventh Amendment right to a jury trial for copyright infringement where the copyright owner seeks only an injunction and statutory damages."); *Educational Testing*, 670 F. Supp. at 1238 (issue "has been the subject of conflict between both courts and commentators") (footnotes omitted); *PGP Music v. Davric Maine Corp.*, 623 F. Supp. 472, 472 (D. Me. 1985) ("Courts outside this circuit have split on the issue, and there is a significant amount of learned discourse on each side.").

⁸ See Robert A. Gorman & Jane C. Ginsburg, *Copyright for the Nineties* 675-676 (4th ed. 1993 & Supp. 1996) (noting conflict on "significant issue"); Nancy J. Niemeier, *The Right to Trial By Jury in Copyright Infringement Suits Seeking Statutory Damages*, 17 S. Ill. U. L.J. 135, 135 (1992) ("The United States Courts of Appeals are split—the score is five to two"); Ted J. Feldman, *An Examination of the Right to Jury Trial Where Copyright Statutory Damages Are Elected*, 21 Hofstra L. Rev. 261, 261 (1982) ("Courts within the various circuits have been in disagreement for decades as to whether there is a right to a jury trial in copyright infringement actions where statutory damages are elected in lieu of actual damages under the Copyright Act."); Andrew W. Stumpff, *The Availability of Jury Trials in Copyright Infringement Cases: Limiting the Scope of the Seventh Amendment*, 83 Mich. L. Rev. 1950, 1952 (1985) (noting "disagreement among the circuits"); Wendy K. Breuninger, *Statutory Damages and Right to Jury Trial in Copyright Infringement Suits*, 24 IDEA 249, 258 (1983) ("The current case law is developing in two separate patterns at complete odds with each other. As such, the matter is ripe for the Supreme Court to resolve."); David Phippen, *Right to Jury Trial Under Copyright Act's Statutory Damage Provision*, 34 Wash. & Lee L. Rev. 800, 800 (1982) ("Federal courts are split on

over the proper resolution of the issue.⁹

B. The Conflict Is Ripe For This Court's Resolution

The question presented by this case is plainly not an issue that requires further "percolation" before this Court accepts review, nor is the conflict one that might resolve itself without this Court's intervention. Of the twelve circuits that could conceivably express an opinion on the subject, eight have definitively resolved the issue and they have split 5-2-1, with two of the three most recent opinions finding a Seventh Amendment right. Thus, even if the remaining four circuits were to weigh in at some point, the conflict could only deepen. Meanwhile, the district courts within one of those circuits—the Third—are themselves hopelessly divided on the question. *Compare Educational Testing*, 670 F. Supp. at 1238 and *Broadcast Music, Inc. v. Moor-Law, Inc.*, 203 U.S.P.Q. 487, 488 (D. Del. 1978) (both finding right to jury trial) with *Raydiola*, 729 F. Supp. at 373, *Rodgers v. Eighty Four Lumber Co.*, 623 F. Supp. 887 (W.D. Pa. 1985), and *Glazier v. First Media Corp.*, 532 F. Supp. 63 (D. Del. 1982) (all finding no right to jury trial). In fact, one might have thought the Court would have resolved this persistent conflict

the issue whether the Copyright Act of 1976 contains a constitutional or statutory right to a jury trial in actions where the plaintiff claiming copyright infringement seeks statutory, but not actual damages."); Patry, *supra*, at 194 ("In view of the split among the Courts of Appeals and the district courts, it is earnestly hoped that the Supreme Court will grant certiorari when sought in one of these cases, and resolve the question.").

⁹ Some commentators espouse petitioner's view that the Seventh Amendment guarantees a trial by jury on all issues when the plaintiff elects statutory damages. See Phippen, *supra*, at 807; Patry, *supra*, at 193-194. Others contend that there is no right to a jury on any issues. See Stumpff, *supra*, at 1970; 3 Nimmer & Nimmer, *supra*, § 14.04[C] at 14-63 (1996) ("perhaps the better view"). And one commentator advocates the Seventh Circuit's hybrid approach. See Niemeier, *supra*, at 151. See also Feldman, *supra*, at 282-283 (jury trial should be afforded either on all issues or at least issues other than amount of damages).

years ago, but the present petition is apparently the first time the Court has been asked to consider the issue.¹⁰

There is likewise no indication that any circuit is likely to change its position on this issue. To the contrary, the Seventh and Eleventh Circuits have expressly reaffirmed their positions in subsequent cases. See *Mitek Holdings, Inc. v. Arce Eng'g Co.*, 89 F.3d 1548, 1553 (11th Cir. 1996); *Calderon v. Witvoet*, 999 F.2d 1101, 1109 (7th Cir. 1993). Nor is this an instance where the lower courts have relied on different precedents to reach their conclusions, raising the possibility that courts might re-examine earlier opinions in light of more recent decisions of this Court. Rather, the circuit courts that conducted an independent analysis of the issue generally considered the same precedents of this Court and examined the same general factors. See *Cass County*, 88 F.3d at 641-644; *Video Views*, 925 F.2d at 1014-17; *Twentieth Century Music*, 645 F.2d at 7; *Gnossos*, 653 F.2d at 119-121.¹¹ Likewise, the Court of Appeals in this case expressly followed the decisions of other circuits on the issue. See App. 12a; see also *Cable/Home*, 902 F.2d at 852-853

¹⁰ A petition for certiorari was filed in only one of the previous circuit cases discussed above—*Video Views*—but that petition was filed by the party that prevailed on the Seventh Amendment question and therefore did not raise that issue. See Petition for Writ of Certiorari, *Studio 21, Ltd. v. Video Views, Inc.*, No. 91-102 (filed July 15, 1991).

¹¹ The only conceivable exception might be the First Circuit's decision in *Chappell*. As the Eighth Circuit noted in *Cass County*, because the First Circuit relied on the fact that statutory damages were sought together with an injunction, *Chappell's* holding is questionable following *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959). See *Cass County*, 88 F.3d at 639; see also *Educational Testing*, 670 F. Supp. at 1238 n.4; *Chappell & Co., Inc. v. Pumpernickel Pub., Inc.*, 79 F.R.D. 528, 529 (D. Conn. 1977). Yet a district court in the First Circuit has declined to "deviate from the course set by the First Circuit Court of Appeals long ago," *PGP Music*, 623 F. Supp. at 473, and the First Circuit itself has not indicated any intention to do so. But even if the First Circuit were to reconsider *Chappell* and find a Seventh Amendment right, the conflict among the circuits would not be lessened.

(following *Twentieth Century Music*). Thus, the opposing positions are clearly staked out, and they are irreconcilable.

In fact, the Seventh Circuit—far from indicating a willingness to reconsider the issue—has determined to hold to its view and has all but invited this Court to resolve the confusion engendered by the Court's somewhat murky Seventh Amendment jurisprudence. In *Calderon, supra*, the Seventh Circuit applied its holding in *Video Views* to another statute, the Migrant and Seasonal Agricultural Worker Protection Act of 1983, which contains a similar statutory damages provision. In so holding, however, Judge Easterbrook noted that:

We acknowledged in *Video Views* that there are cases the other way. Having considered the arguments fully in *Video Views*, we shall hold fast unless instructed otherwise by the Supreme Court. That institution has been having difficulties of its own defining the meaning of "suits at common law," frequently unable to assemble a majority. Thus we adhere to the conclusion of *Video Views* that either side may demand a jury in a suit seeking statutory liquidated damages. [*Calderon*, 999 F.2d at 1109 (citations omitted).]

The time has plainly come for this Court to decide the question. The Court has explained that a "principal purpose for which we use our certiorari jurisdiction * * * is to resolve conflicts among the United States courts of appeals." *Braxton v. United States*, 500 U.S. 344, 347 (1991). See S. Ct. Rule 10(a). This role is particularly important when the conflict concerns a constitutional question, because in such a case only this Court can resolve the conflict. Here there can be no dispute that the circuits are in sharp conflict over the constitutional question presented. This is not a case in which the existence of a circuit conflict needs to be inferred from an analysis of allegedly conflicting cases. Here the courts of appeals themselves have squarely acknowledged the conflict. The conflict is clear and widespread and the present intolerable confusion will persist unless this Court provides a resolution.

II. THE CONSTITUTIONAL QUESTION IS IMPORTANT AND RECURRING AND THIS CASE IS AN IDEAL VEHICLE FOR RESOLVING IT

The conflict, moreover, is over an important and recurring question. As this Court has recognized, "[m]aintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care." *Beacon Theatres*, 359 U.S. at 501 (quoting *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935)). This Court has accordingly granted certiorari in the past when a circuit conflict has developed over whether the Seventh Amendment guaranteed a jury trial under a federal statute. See, e.g., *Lytle v. Household Mfg., Inc.*, 494 U.S. 545, 549-550 & n.2 (1990) (conflict between two circuits); *Chauffeurs, Teamsters & Helpers, Local No. 391 v. Terry*, 494 U.S. 558, 563 (1990) (conflict among five circuits); *Tull v. United States*, 481 U.S. 412, 417 (1987) (conflict between two circuits); *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 325 & n.3 (1979) (conflict between two circuits); *Lorillard v. Pons*, 434 U.S. 575, 577 (1978) (conflict among three circuits); *Ross*, 396 U.S. at 532 (conflict between two circuits). The conflict on the present question is at least as persistent as the conflicts upon which the Court granted review in those cases, and is significantly more widespread. As in those cases, the Court should not allow the meaning of the Seventh Amendment to continue to vary depending on the circuit in which an action has been brought.

In addition, the resolution of the Seventh Amendment conflict is critical to the proper administration of the Nation's copyright laws. The numerous cases cited above demonstrate that the question presented is a frequently recurring one in both the district and circuit courts. Every copyright plaintiff has the absolute right to elect between actual and statutory damages, and when a plaintiff elects statutory damages the question presented here will arise whenever either party desires a jury trial. Nor is the effect of the conflict limited to the Copyright Act. The courts of appeals have already

applied their divergent holdings on Section 504(c) to other statutes containing similar statutory damages provisions. See *Calderon*, 999 F.2d at 1109 (applying holding in *Video Views* to Migrant and Seasonal Agricultural Worker Protection Act of 1983); *Cable/Home*, 902 F.2d at 852-853 (applying former Fifth Circuit's holding in *Twentieth Century Music* to Communications Act of 1934); contrast *Storer Cable Comm. v. Joe's Place Bar & Restaurant*, 819 F. Supp. 593 (W.D. Ky. 1993) (finding no right to jury trial in action seeking statutory damages under Communications Act of 1934 and Public Telecommunications Act of 1988) with *General Instrument Corp. v. Nu-Tek Electronics & Mfg., Inc.*, 1996 WL 184794 (E.D. Pa. Apr. 12, 1996) (finding right to jury trial in action seeking statutory damages under same provisions).

This case is also an ideal vehicle for resolving the persistent conflict. The jury trial issue was squarely raised and decided both in the District Court and the Court of Appeals, and the holdings of those courts resulted in a staggering award of \$8,800,000 in statutory damages—the second highest reported award of statutory damages under the Copyright Act.¹² Had petitioner been granted the jury trial he sought, a jury of his peers—not a judge—would have determined such critical factual issues as willfulness, innocent infringement, whether each of petitioner's stations was a separate infringer, and whether each of the episodes broadcast by petitioner's stations constituted a single work or instead each series constituted a collective work under Section 504(c) for which a single award of damages would have been appropriate.¹³

¹² The largest reported amount is a \$9,000,000 verdict against petitioner—also rendered after a bench trial—arising out of a related licensing dispute. See *MCA Television, Ltd. v. Feltner*, 89 F.3d 766 (11th Cir. 1996), cert. denied, 117 S. Ct. 1248 (1997). Petitioner believes that the third-highest amount is less than \$500,000.

¹³ The Court of Appeals' opinion makes clear that the latter two questions were factual issues for the trier of fact to resolve. The court upheld the district judge's "finding" that identical episodes broadcast by different stations were multiple acts of infringement, holding that petitioner "failed to demonstrate that the finding was

Petitioner presented substantial evidence on these issues, including evidence that he believed in good faith, in light of the ongoing negotiations with Columbia and his extensive experience in the industry, that the licenses had not validly been terminated; that the stations had in fact paid more than \$300,000 to Columbia in fees after Columbia's termination letters were sent; that Columbia suffered no loss from petitioner's actions because Columbia was unable to re-license any of the programs in the same markets; and that the stations earned no profit from the programs and in fact lost money each time the programs were shown.¹⁴

As the Court of Appeals noted on the issue of willfulness, "the facts presented to the district court were susceptible to more than one interpretation." App. 13a. Thus, if a jury had been able to weigh this evidence, the jury might well have found that the infringement was innocent and that Columbia was entitled only to the minimum amount of \$200 per infringement—for a total award of only \$800 if the jury also found that each series was a single work or \$88,000 if the jury found that each episode was a single work and that each station was a separate infringer. This would, of course, be a far cry from the punitive \$8,800,000 award rendered by the district judge, demonstrating the critical importance of safeguarding the constitutional right to a jury trial in this case.

erroneous." App. 15a. Likewise, the Court of Appeals did not dispute petitioner's contention that whether the episodes in each series amounted to a collective work was a factual question, but held that the "evidence support[ed]" the district judge's finding. App. 17a.

¹⁴ Petitioner furthermore proffered expert testimony and licensing agreements demonstrating that the individual episodes of the television series at issue had no separate commercial viability. The District Court refused to consider the proffered evidence. The Court of Appeals, however, did not affirm the exclusion of this evidence, but rather held that even if the ruling were erroneous it was harmless because other evidence supported the District Court's findings. App. 17a.

The extraordinary, nearly unprecedented amount of the damages awarded and the breadth of the factual issues decided by the district judge starkly demonstrate why the Court of Appeals' "seeming curtailment of [petitioner's] right to a jury trial should be scrutinized with the utmost care." *Beacon Theatres*, 359 U.S. at 501 (citation omitted). There is no dispute that the Seventh Amendment guarantees a right to a jury trial on all issues in a copyright infringement action whenever actual damages are sought, and there can now be no serious question that the right extends at least to the issue of infringement even when statutory damages are sought. See *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1389 (1996) ("[T]here is no dispute that [patent] infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago."); *Cass County*, 88 F.3d at 642 (no material difference between copyright and patent infringement cases).¹⁵

Contrary to the holding of the Court of Appeals, there should likewise be little doubt that this important right extends to all other issues relating to the imposition of statutory damages. In deciding whether the Seventh Amendment guarantees a jury trial on specific issues arising under a statutory cause of action, this Court has emphasized the importance—and possibly dispositive nature—of 18th century English practice, especially where the specific cause of action in question existed at that time. See *Markman*, 116 S. Ct. at 1389 (in some instances, Seventh Amendment determination is "easy because of clear historical evidence

¹⁵ Although the decisions in *Chappell* and *Twentieth Century Music* appear to hold that the issue of infringement is for the judge when statutory damages are sought, such holdings are highly dubious after this Court's recent decision in *Markman*. The more serious conflict involves whether there is a right to have a jury decide the issues relating specifically to the imposition of statutory damages under Section 504(c). The Court of Appeals' denial of a jury trial on any of these issues is in direct conflict with the decisions of the Fourth, Seventh and Eighth Circuits, and it is therefore irrelevant that Columbia was awarded summary judgment below on the issue of infringement.

that the very subsidiary question was so regarded under the English practice of leaving the issue for a jury").

The right to have a jury decide all questions relating to the imposition of statutory damages for copyright infringement is as old as copyright itself. Statutory damages have existed ever since the first copyright statute was enacted in England in 1710, and the damages under that statute (a penny per sheet) were awarded through a common law action. See *Millar v. Taylor*, 98 Eng. Rep. 201, 243 (K.B. 1769) (Yates, J.), *overruled on other grounds*, *Donaldson v. Becket*, 98 Eng. Rep. 257 (1774); Patry, *supra*, at 145-148. When Congress enacted this country's first copyright law in 1790, it continued the English practice of having juries decide actions for statutory damages through common law actions for debt. See Act of May 31, 1790, § 2, 7 Stat. 124 (establishing statutory damages of fifty cents per sheet enforceable "by action of debt"); Patry, *supra*, at 154-173. Thus, it is not surprising that every circuit court to have actually analyzed the issue in detail—the Fourth, the Seventh, and the Eighth—has concluded that this right exists today under the similar statutory damages provisions of Section 504(c).¹⁶

The other factors relied on by this Court—the nature of the remedy and the practical abilities of juries—likewise support a right to a jury trial here. Money damages are the prototypical legal remedy, and courts will find an "exception to the general rule" that such damages must be assessed by a jury only if the damages have the "attributes" of an equitable remedy, "such as in 'action[s] for disgorgement of improper profits,'" or "a monetary award 'incidental to or intertwined with injunctive relief.'" *Terry*, 494 U.S. at 570, 571 (quoting *Tull*, 481 U.S. at 424). The statutory damages awarded in this case bear no resemblance to these equitable remedies. The award of \$8,800,000 has no relation whatsoever to any purported profits earned by Feltner—indeed, the evidence showed there

¹⁶ As one commentator recognized prior to the Ninth Circuit's cursory decision in this case, "none of the Courts of Appeals that held statutory copyright relief to be equitable devoted any appreciable analysis to the question." Stumpff, *supra*, at 1952 n.23.

were none at all—and such an enormous award certainly cannot be characterized as merely “incidental” to injunctive relief. *See Cass County*, 88 F.3d at 643 (“a prayer for damages in the amount of \$5000 per infringement—\$20,000, a substantial amount—indicates to us that the [plaintiffs] did not seek these statutory damages as ‘incidental’ to any other relief”). Rather, the huge sum awarded by the district judge (without any explanation of the reasons for the amount chosen) demonstrates that “another role has emerged for statutory damages in copyright infringement cases: that of a punitive sanction on infringers, and the award of punitive damages traditionally is a jury matter.” *Id.* (punitive nature of award was shown by facts that plaintiffs “had very little actual damage” and defendant “reaped few profits from the infringements”). Finally, no court—even those finding no right to a jury trial—has held that assessing statutory damages is beyond the competence of juries.

Accordingly, in light of the longstanding conflict among the circuit courts, the importance and recurring nature of the constitutional issue presented, and the potentially enormous consequence of the issue to this case, the Court should grant certiorari.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDICES

1a

APPENDIX A
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

COLUMBIA PICTURES TELEVISION,
Plaintiff-Appellee,

v.

KRYPTON BROADCASTING OF
BIRMINGHAM, INC.; WABM
BIRMINGHAM; KRYPTON
BROADCASTING, INC.; KRYPTON
INTERNATIONAL CORPORATION; WTWV,
INC.; WTVX; DANIEL S. DAYTON;
ALFRED F. DECUR,

Defendants,

and

C. ELVIN FELTNER, JR.,
Defendant-Appellant.

Nos. 94-55816
94-55894

D.C. No.
CV-91-06847-ER

OPINION

Appeal from the United States District Court
for the Central District of California
Edward Rafeedie, District Judge, Presiding

Argued and Submitted
November 15, 1995—Pasadena, California

Filed February 6, 1997

Before: Jerome Farris, Melvin Brunetti, and Alex Kozinski,
Circuit Judges.

Opinion by Judge Brunetti

OPINION

BRUNETTI, Circuit Judge:

C. Elvin Feltner is the owner of Krypton International Corporation, which in turn owns three television stations in the southeast.¹ Columbia Pictures Television licensed several television shows to the three stations, including "Who's the Boss?", "Silver Spoons," "Hart to Hart," and "T.J. Hooker." After the stations became delinquent in paying royalties, Columbia attempted to terminate the licensing agreements. The stations continued to broadcast the programs, and Columbia filed suit. During the course of the litigation, Columbia dropped all causes of action except its copyright claims against Feltner. The district court found Feltner vicariously and contributorily liable for copyright infringement on the part of the Krypton defendants, granted summary judgment in favor of Columbia on liability, and after a bench trial, awarded Columbia \$8,800,000 in statutory damages and over \$750,000 in attorneys fees and costs. In this appeal, Feltner and Krypton International² challenge several of the district court's rulings.

I. SUBJECT MATTER JURISDICTION

Feltner argues that Columbia's complaint fails to properly plead a claim arising under federal copyright law. Therefore, argues Feltner, subject matter jurisdiction was lacking in the district court. However, because Columbia's complaint alleges ownership and infringement of multiple copyrights and seeks relief under several sections of the Copyright Act—17 U.S.C. §§ 502 (injunction), 503 (impoundment),

¹ Krypton International and its subsidiaries—Krypton Broadcasting, Inc.; Krypton Broadcasting of Birmingham, Inc.; Krypton Broadcasting of Jacksonville, Inc.; and Krypton Broadcasting of Ft. Pierce, Inc.—are collectively referred to as "the Krypton Defendants."

² Krypton International is only appealing the district court's dismissal of its counterclaims and the district court's denial of its motion for fees.

504 (damages and profits), and 505 (costs and attorneys fees)—Columbia properly pled a claim arising under federal copyright law. *Rano v. Sipa Press, Inc.*, 987 F.2d 580, 584 (9th Cir. 1993); *Vestron, Inc. v. Home Box Office, Inc.*, 839 F.2d 1380, 1381-82 (9th Cir. 1988); *Effects Assocs., Inc. v. Cohen*, 817 F.2d 72, 73-74 (9th Cir. 1987). The district court had subject matter jurisdiction pursuant to 28 U.S.C. § 1338(a).

II. VENUE

Feltner argues that venue was improper in the Central District of California. So long as the underlying facts are not in dispute, we review the district court's venue determination de novo. *Decker Coal Co. v. Commonwealth Edison Co.*, 805 F.2d 834, 841 (9th Cir. 1986). The district court's factual findings must be accepted unless clearly erroneous. *See Reebok Int'l, Ltd. v. McLaughlin*, 49 F.3d 1387, 1390 (9th Cir.), cert. denied, 116 S.Ct. 276 (1995). We find that venue was proper in the Central District.

Venue under 28 U.S.C. § 1400(a)³ is proper in any judicial district in which the defendant would be amenable to personal jurisdiction if the district were a separate state. *Milwaukee Concrete Studios v. Fjeld Manufacturing Co.*, 8 F.3d 441, 445-47 (7th Cir. 1993); *Johannsen v. Brown*, 788 F.Supp. 465, 469 (D.Or. 1992).

[1] Columbia contends that specific jurisdiction exists over Feltner. We use a three part test for analyzing whether the exercise of specific jurisdiction satisfies the requirements of due process:

- (1) the defendant must purposefully avail himself of the privilege of conducting activities in the forum,

³ 28 U.S.C. § 1400 provides:

Civil actions, suits, or proceedings arising under any Act of Congress relating to copyrights or exclusive rights in mask works may be instituted in the district in which the defendant or his agent resides or may be found.

thereby invoking the benefits and protections of its laws;

- (2) the claim must arise out of or result from the defendant's forum-related activities; and
- (3) the exercise of jurisdiction must be reasonable.

Sher v. Johnson, 911 F.2d 1357, 1361 (9th Cir. 1990).

[2] Columbia alleged, and the district court found, that Feltner willfully infringed copyrights owned by Columbia, which, as Feltner knew, had its principal place of business in the Central District. This fact alone is sufficient to satisfy the "purposeful availment" requirement. *Calder v. Jones*, 465 U.S. 873, 789-90 (1984) (holding that an intentional tort knowingly directed at a forum resident satisfies the minimum contacts test).

[3] Additionally, Columbia relies on Feltner's wide-ranging contract-related contacts with Columbia in the Central District. Feltner argues that these contacts cannot support venue because they all arise out of the license agreements which, according to Feltner, are unenforceable because they were never signed by Columbia. This argument fails both because Feltner did not raise this argument in the district court and because whether or not the agreements are enforceable as a matter of contract law, Feltner's contacts with the Central District remain the same. Feltner's contract-related contacts are sufficient to satisfy the "purposeful availment" requirement. See *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476, 479 (1985) (holding in contract action that, when one analyzes the "prior negotiations and contemplated future consequences, along with the terms of the contract and the parties' actual course of dealing," the purposeful availment requirement is satisfied if a defendant has created "continuing obligations between himself and residents of the forum").

[4] Under the second prong, Columbia's claims clearly "arise out of or result from the defendant's forum-related activities." As correctly asserted by Columbia, Feltner was

able to authorize infringing broadcasts of Columbia's programs only because Columbia shipped those programs from the Central District to the Krypton stations pursuant to the license agreements.

[5] Finally, under the third prong, "there is a *presumption of reasonableness* upon a showing that the defendant purposefully directed his actions at forum residents which the defendant bears the burden of overcoming by presenting a compelling case that jurisdiction would be unreasonable." *Haisten v. Grass Valley Medical Reimbursement*, 784 F.2d 1392, 1397 (9th Cir. 1986) (citing *Burger King*, 471 U.S. at 477) (emphasis in original). Feltner's contentions—that he had more of a burden litigating in California than Columbia would have had in Florida, that Florida had a stronger interest than California in adjudicating the suit because he lived in Florida, and that Florida was the most efficient forum—are insufficient to meet his burden.

Because Feltner would be amenable to personal jurisdiction in the Central District if the Central District were a separate state, venue was proper under 28 U.S.C. § 1400(a).⁴

III. SUMMARY JUDGMENT

Feltner contends that summary judgment was inappropriately granted because: (A) Columbia was not the proper party to the copyright claims; (B) there was a triable issue of fact as to whether Columbia's termination of the license agreements was proper; (C) there was a triable issue of fact as to whether Feltner would reasonably have interpreted Columbia's actions as terminating the license agreements; and (D) triable issues of fact existed concerning Feltner's allegations that Columbia was precluded from terminating the agreements on the basis of estoppel, negligent

⁴ The district court also relied on the license agreements' forum selection clauses to confer venue. While we agree with the district court that the forum selection clauses were appropriately enforced against Feltner, we need not analyze the issue here.

misrepresentation, and an oral contract not to terminate. None of Feltner's contentions has merit.

A. Feltner's Standing Argument Is Not Properly Before This Court.

Feltner argues that the district court's summary judgment ruling was erroneous because, under 17 U.S.C. § 501(b), Columbia was not the proper party to the copyright claims. Feltner never raised this argument in his opposition to Columbia's summary judgment motion. In fact, in his "Statement of Genuine Issues," Feltner agreed that "Columbia holds the copyright to each . . . episode" at issue. While Feltner now contends that the issue was "raised in a Motion to Vacate filed under F.R.Civ.P. 60(b)," this contention is not supported by the record: The district court denied Feltner's motion for leave to file the motion to vacate, impliedly finding that Feltner had failed to meet the prerequisites for relief under F.R.Civ.P. 60(b) and Central District Local Rule 7.16.

A district court's decision not to consider an argument raised for the first time on reconsideration is reviewed for abuse of discretion, *Rosenfeld v. United States Dept. of Justice*, 57 F.3d 803, 811 (9th Cir. 1995). Because Feltner has failed to demonstrate that the district court abused its discretion in refusing to consider his motion to vacate, Feltner's standing argument may not be considered on appeal.

B. Columbia's Termination Was Proper.

Feltner argues that a triable issue of fact exists as to whether the defendants' breach of the license agreements was sufficiently material to enable Columbia to terminate the agreements. In support of his argument, Feltner cites *Rano v. Sipa Press, Inc.*, 987 F.2d at 586-87, and *Fantasy, Inc. v. Fogarty*, 984 F.2d 1524, 1529-31 (9th Cir. 1993), *rev'd on other grounds*, 114 S.Ct. 1023 (1994), which held that the licensing agreement at issue was not rightfully terminated because the licensee's breach did not "go to the root of the matter," *Fantasy*, 984 F.2d at 1530 (citations omitted), or did not "constitute a total failure in the performance of the

contract." *Rano*, 987 F.2d at 586 (citation and internal quotation omitted).

[6] However, both *Rano* and *Fantasy* dealt with licensing agreements that did not have an express contractual provision authorizing termination. *See Rano*, 987 F.2d at 583; *Fantasy*, 984 F.2d at 1529. In contrast, each of the license agreements in this case has an express provision authorizing Columbia to terminate the agreement if the licensee "fails to make payments of the License Fee or any portion thereof when due." Because these agreements expressly consider the failure to timely pay royalties material, Columbia's termination of the agreements was proper. *See Fantasy*, 984 F.2d at 1529 (stating that "a bona fide dispute concerning royalty payments does not automatically constitute a material breach *unless the contract so provides*") (emphasis added and omitted).

C. Feltner Could Not Reasonably Interpret Columbia's Actions As Anything But Termination.

Feltner's version of the facts surrounding the termination of the licensing agreements is as follows: In 1989, Feltner began negotiations to purchase WNFT-TV in Jacksonville, Florida. Because he determined that the station needed to cut expenses to operate profitably, he instructed Dan Dayton, his Chief Operating Officer, to negotiate with all of the syndicators supplying programs to WNFT to see if they would be willing to restructure the license agreements. In this regard, Dayton contacted John Darakjy of Columbia, who indicated that Columbia would "work with" Krypton to restructure the deal. Dayton memorialized this conversation in a March 22, 1990 letter.

Feltner thereafter purchased WNFT, as well as stations WABM-TV in Birmingham, Alabama and WTVX-TV in West Palm Beach, Florida. From March 1990 until Columbia filed its lawsuit in December of 1991, Columbia and the Krypton entities engaged in protracted negotiations for the restructure of each of the three stations' debt to Columbia. During that time, at least thirteen written proposals of restructure were exchanged—six from Columbia

and seven from Krypton. The parties were unable to reach an agreement "primarily because Columbia insisted upon a large up-front payment and refused to spread out the payments over the entire term of the contract notwithstanding defendants' protests that the stations were not earning enough money to make those payments."

On July 8, 1991, Columbia sent the first of three purported termination letters.⁵ Despite the letter's threatening language, Columbia made no attempts to enforce the letter's demands and sent three more restructure proposals in September and October of 1991. On October 17, 1991, Columbia sent another termination letter similar to the letter of July 8. Like the July 8 letter, the October 17 letter was subsequently contradicted by a restructure proposal sent on December 10, 1991.

Based on these facts, Feltner argues that a triable issue of fact exists as to whether he should have reasonably interpreted Columbia's conduct to effectuate a termination of the licensing agreements. In particular, Feltner cites to the ambiguity caused by the restructuring proposals sent by Columbia after the purported termination letters of July 8 and October 17 and the inconsistency of the July 8 and October 17 letters' simultaneous demands of full accelerated payment and termination of the license agreements.

[7] Feltner's arguments are unavailing. Both the July 8 and October 17 letters are clear and unequivocal. While Feltner argues that the October 17 letter was rendered ambiguous by the letter of December 10, the December 10 letter clearly indicates that it was sent "in the interest of resolving Columbia's claims without resorting to litigation," and that if Krypton "continu[ed] its deliberate campaign of copyright infringement," Columbia would file a lawsuit. Nor could the other restructure proposals be interpreted as anything other than last-ditch efforts to strike a deal.

⁵ The letter demanded that WNFT cease and desist from the broadcast of the formerly-licensed programs and demanded the immediate accelerated payment of \$2,733,644.18.

[8] Likewise, the October 17 letter was not rendered ambiguous by the simultaneous exercise of the acceleration and termination provisions. The contract clearly indicates that in the event of a failure to pay royalties, Columbia could terminate the agreement *and* would be immediately entitled to "the entire unpaid balance of the license fee." Thus, the October 17 letter's exercise of both the acceleration provision and termination provision could not reasonably be interpreted as ambiguous.

D. Feltner's Defenses Fail as a Matter Of Law.

In his reply brief to this court, Feltner argues that, despite the apparent termination, there was nevertheless a triable issue of material fact concerning whether Columbia was precluded from terminating on the basis of estoppel, negligent misrepresentation, or an oral contract not to terminate. Feltner's evidence fails to raise a triable issue of fact as to any of these defenses.

[9] A claim of promissory estoppel requires, among other things, "a promise clear and unambiguous in its terms," and injury caused by the promisee's reasonable reliance on the promise. *Laks v. Coast Federal Sav. & Loan Ass'n*, 131 Cal.Rptr. 836, 839 (Ct. App. 1976). The only "promise" that could reasonably be inferred from Feltner's evidence was a promise by Columbia to "work with" Krypton. However, this is not a "clear and unambiguous" promise, for it clearly contemplated further negotiations to finalize the terms of the restructure. *Id.* Furthermore, to the extent it was an adequate promise, Feltner was not injured because Columbia performed the promise by negotiating extensively from March 1990 until December 1991. Thus, Feltner's promissory estoppel claim must fail.

Feltner's negligent misrepresentation claim is similarly defective. Negligent misrepresentation is "a statement made for the guidance of others which is not warranted by the information of the person making it." *Grenell v. City of Hermosa Beach*, 163 Cal.Rptr. 315, 319 (Ct. App. 1980); see Cal. Civ. Code § 1527(2). Although Feltner argued in the

district court that Columbia had already restructured the license agreement with Krypton's predecessor and that Columbia's practice was not to undertake subsequent restructures of licenses that had already been restructured, Feltner has failed to present sufficient evidence for a reasonable jury to conclude that this was in fact Columbia's practice. Thus, Feltner has failed to raise a triable issue of fact on his negligent misrepresentation claim.

[10] Lastly, Feltner's breach of oral contract claim is properly dismissed on summary judgment. "An agreement to make in the future such a contract as may be agreed upon at a later time amounts to nothing, is not binding, and cannot be made the basis of a cause of action." *Forgeron Inc. v. Hansen*, 308 P.2d 406, 411 (Cal. Ct. App. 1957) (quoting 12 Cal.Jr.2d. Contracts, § 111); accord *Kruse v. Bank of America*, 248 Cal.Rptr. 217, 229 (Ct. App. 1988), cert. denied, 488 U.S. 1043 (1989). Because the facts presented by Feltner indicate, at best, an agreement to negotiate in the future, Feltner has failed to raise a triable issue of act on his oral contract claim.⁶

In sum, Feltner failed to raise a triable issue of material fact as to whether Columbia validly terminated the license agreements by October 17, 1991. Summary judgment against Feltner for copyright infringements occurring after that date was therefore proper.

IV. COURT TRIAL ON STATUTORY DAMAGES

[11] Section 504(c)(1) of the Act allows a copyright holder to elect statutory damages in lieu of actual damages. If statutory damages have been elected, and a defendant is found to have infringed, damages are to be awarded "in a

⁶ While Feltner raises the claims of promissory estoppel, negligent misrepresentation, and breach of oral contract as defenses to Columbia's copyright claim, the Krypton defendants argued these theories as part of a counterclaim filed against Columbia. As the above discussion makes clear, the district court properly granted summary judgment in favor of Columbia on the Krypton defendants' counterclaims.

sum of not less than \$500 or more than \$20,000 as the court considers just." 17 U.S.C. § 504(c)(1). Additionally, if the "court finds . . . that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000," and if the court finds that the infringement was committed innocently "the court [in] its discretion may reduce the award of statutory damages to a sum of not less than \$200." *Id.* § 504(c)(2). Columbia elected statutory damages. Over Feltner's objection, the district court held a bench trial on damages, found Feltner's infringement to be willful, and fixed the statutory damages at \$20,000 per violation.

Feltner argues that the district court's denial of his request for a jury trial on the issue of statutory damages was erroneous, both as a matter of statutory interpretation and because it deprived him of his Seventh Amendment right to a jury trial. We reject Feltner's argument.

[12] In *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977), we interpreted the analogous statutory damages provision of the 1909 Copyright Act and held that the amount of statutory damages "is properly addressed to the court, not the jury." *Id.* at 1177. In so holding, the court relied on the statute's language, which provided for the award of "such damages as to the court shall appear to be just." *Id.* at 1177 n. 5 (quoting 17 U.S.C. § 101(b)) (emphasis added). The *Krofft* court reasoned: "The jury plays no role in this determination, because 'the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement, and the like, is made the measure of the damages to be paid. . . .'" *Id.* at 1177 (quoting *Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 106 (1919)) (emphasis in original).

Feltner argues that *Krofft* is distinguishable because the 1909 Act, interpreted by *Krofft*, gave the court the option of awarding "in lieu" (statutory) damages while the 1976 Act gives the option to elect statutory damages to the plaintiff. However, *Krofft's* rationale is equally applicable to § 504 of

the 1976 Act. Section 504(c)(1) of the 1976 Act, like § 101(b) of the 1909 Act, provides for the award of such damages (within fixed limits) "as the court considers just." 17 U.S.C. § 504(c)(1). If Congress intended to overrule *Krofft* by having the jury determine the proper award of statutory damages, it would have altered this language.

[13] As for Feltner's contention that the district court's ruling deprived him of his Seventh Amendment right to a jury trial, we agree with those cases holding that the Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages because an award of such damages is equitable in nature. See *Cable/Home Communication v. Network Prods., Inc.*, 902 F.2d 829, 852-53 (11th Cir. 1990); *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); *Raydiola Music v. Revelation Rob, Inc.*, 729 F.Supp. 369 (D.Del. 1990); cf. *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1014-16 (7th Cir.), cert. denied, 502 U.S. 861 (1991) (holding that the amount of statutory damages is decided by the court but the issue of willfulness should be tried to the jury). But see *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996) (holding that Seventh Amendment provides right to have jury assess statutory damages); *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117, 119-21 (4th Cir. 1981) (same); *Educational Testing Services v. Katzman*, 670 F.Supp. 1237 (D.N.J. 1987) (same). See generally 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 14.04[C] (1995) (listing cases and describing those cases allocating decision to judge as "the better view").

The district court properly denied Feltner's request for a jury trial on the issue of statutory damages.

V. WILLFULNESS FINDING

[14] "Willful" within the meaning of § 504(c)(2) means "with knowledge that the defendant's conduct constitutes copyright infringement." *Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1335 n.3 (9th Cir. 1990) (quoting 3 *Nimmer on Copyright* § 1404[B], at 14-40.2-.3 (1989)), cert.

denied, 498 U.S. 1109 (1991). "To refute evidence of willful infringement, [the defendant] must not only establish its good faith belief in the innocence of its conduct, it must also show that it was reasonable in holding such a belief." *Id.* at 1336.

[15] Feltner contends that the district court's findings of willfulness are unsupported by the evidence. In support of this contention, Feltner presents his version of how the evidence should be interpreted. Feltner, however, neglects to mention that the district court's finding is reviewed for clear error. See Fed.R.Civ.P. 52(a); *Price v. United States Navy*, 39 F.3d 1011, 1021 (9th Cir. 1994). Feltner's arguments, at best, demonstrate that the facts presented to the district court were susceptible to more than one interpretation. Considering that all 440 of the infringing episodes were broadcast after Columbia's clear termination of the licensing agreements on October 17, 1991, and 415 of them were broadcast after the complaint in this action was filed, we cannot say that the district court's finding was clearly erroneous.

VI. EVIDENTIARY RULINGS REGARDING FELTNER'S RELATIONSHIP TO COUNSEL

[16] Prior to trial, the district court granted Columbia's motion in limine to preclude Feltner from introducing evidence relating to advice of counsel because Feltner refused to answer questions on the issue during his deposition. Feltner now argues that the in limine order precluded Columbia from questioning Feltner at trial about whether his counsel kept him apprised of the progress of the litigation, and the district court's failure to prevent Columbia from doing so was erroneous. Feltner's argument fails for two reasons. First, because he objected to Columbia's questions at trial only on relevance and that on calling for a legal conclusion, he waived the objection he now raises. Furthermore, even if the objection was not waived, the testimony admitted was not precluded by the in limine order because the testimony concerned Feltner's knowledge of the litigation, not whether he relied on the advice of counsel.

VII. CALCULATION OF THE NUMBER OF INFRINGEMENTS

A. The Stations Were Separate Infringers.

[17] Section 504(c)(1) of the Act provides that statutory damages may be awarded “for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally” Thus, when statutory damages are assessed against one defendant or a group of defendants held to be jointly and severally liable, each work infringed may form the basis of only one award, regardless of the number of separate infringements of that work. See *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143-44 (5th Cir. 1992). However, “where separate infringements for which two or more defendants are not jointly liable are joined in the same action, separate awards of statutory damages would be appropriate.” H.R. Rep. No. 94-1476, 94th Cong., 2d Sess., at 162, reprinted in 1976 U.S. Code Cong. and Admin. News 5778; *Mason*, 967 F.2d at 144.

[18] By finding that “the ‘Who’s the Boss?’ episodes broadcast by WNFT are separate acts of infringement from the episodes broadcast by WTVX,” the district court impliedly found that WNFT and WTVX were not joint tortfeasors with respect to the broadcasting of these episodes. Feltner, relying on *RCA/Ariola International, Inc. v. Thomas & Grayston Co.*, 845 F.2d 773, 778-778 (8th Cir. 1988), argues that this finding was erroneous because Columbia had repeatedly alleged in its complaint that all of the defendants acted together and should be treated as one. See ER Tab 1, First Amended Complaint, ¶¶ 18, 19, 31-114.

[19] *RCA/Ariola* is distinguishable. In that case, the district court had found a group of defendants to be jointly and severally liable. *Id.* at 778. On appeal, the Eighth Circuit rejected the plaintiff’s argument that the district court’s finding was erroneous. Because the plaintiff asserted in its summary judgment papers that the defendants were jointly and severally liable, the plaintiff “invited any error and ha[d] no

grounds to complain.” *Id.* at 779. In contrast to *RCA/Ariola*, the district court’s finding was *contrary* to the allegations in the complaint and it is the defendant who is challenging the findings. Feltner has not presented sufficient facts to develop a “judicial estoppel” argument. See *Rockwell International v. Hanford Atomic Metal Trades*, 851 F.2d 1208, 1210 (9th Cir. 1988) (defining purpose of judicial estoppel as “preventing the use of inconsistent assertions that would result in an ‘affront to judicial dignity’ and ‘a means of obtaining unfair advantage’”) (citations omitted). Thus, despite the fact that the district court’s finding on this issue was both favorable to the plaintiff and contrary to the complaint, Feltner has failed to demonstrate that the finding was erroneous.⁷

B. Each Episode Was a Separate Work.

As mentioned, § 504(c)(1) of the Act provides that statutory damages may be awarded “for all infringements involved in the action, with respect to any one work.” Section 504(c)(1) further provides that “for purposes of this subsection, all the parts of a compilation or derivative work constitute one work.” The district court found that each infringed episode of the television series constituted a separate work for purposes of § 504(c)(1). Feltner argues that each series, and not each episode, constitutes a work.

[20] The two courts to have addressed whether each episode of a television series constitutes a separate work have both held in the affirmative. *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116-17 (1st Cir. 1993); *Twin Peaks Prods. v. Publications Int’l*, 996 F.2d 1366, 1380-81 (2d Cir. 1993).⁸ Feltner attempts to distinguish these cases

⁷ Feltner’s other argument on this issue—that the finding was erroneous because Feltner was jointly and severally liable with all three stations—is similarly meritless. Because the stations were not jointly and severally liable with each other, Feltner’s liability vis-a-vis the stations merely renders him jointly and severally liable for each station’s infringements—it does not convert the stations’ separate infringements into one.

⁸ We note that the Eleventh Circuit, in another case in which Feltner was the defendant, recently agreed that each episode of a

by arguing that the episodes at issue are not separate works because they do not have independent economic value.

While Feltner correctly states the proper test to apply in analyzing whether each episode is a separate work, *see Gamma Audio*, 11 F.3d at 1117 (focusing on whether each television episode “has an independent economic value and is, in itself, viable”); *Walt Disney Co. v. Powell*, 897 F.2d 565, 569 (D.C.Cir. 1990) (stating that “separate copyrights are not distinct unless they can ‘live their own copyright life’”) (quoting *Robert Stigwood Group Ltd. v. O’Reilly*, 530 F.2d 1096, 1105 (2d Cir.), *cert. denied*, 429 U.S. 848 (1976)), the facts upon which Feltner bases his argument—that the episodes are licensed as a series—were addressed and rejected in *Gamma Audio*.

In *Gamma Audio*, the district court found that the episodes were a single work because the copyright holder sold only complete sets of the series to video stores. 11 F.2d at 1117. The First Circuit found this unpersuasive. Instead, the court found significant “the fact that (1) viewers who rent the tapes from their local video stores may rent as few or as many tapes as they want, may view one, two, or twenty episodes in a single setting, and may never watch or rent all of the episodes; and (2) each episode in the ... series was separately produced.” *Id.*

[21] In this case, the different episodes were broadcast over the course of weeks, months, and years. From this fact, it was reasonable for the district court to conclude that, as in *Gamma Audio*, viewers may watch as few or as many episodes as they want, and may never watch all of the episodes. Additionally, it was clear from the record that the episodes could be repeated and broadcast in different orders. Nor does Feltner contest that the episodes were separately written, produced, and registered. Thus, this case comes squarely within the holdings of *Gamma Audio* and *Twin Peaks*.

television series was a separate work. *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 1996 WL 388406 at *2-*3 (11th Cir. Jul. 26, 1996).

Feltner also contends that each series was an anthology, a type of “compilation” under § 504(c). *See* § 101 (defining “compilation” as including “collective works”); *id.* (defining “collective work” as “a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole”). Feltner argues that the question of whether the episodes amounted to a “collective whole” was a factual one. Thus, argues Feltner, the district court’s refusal to allow Feltner to produce evidence on the issue, which would have consisted of a license agreement and expert testimony that “programs of this nature are considered to be anthologies,” was error.

[22] Even were Feltner allowed to prove that the programs were considered to be “anthologies,” he would still have to show that they consisted of “separate and independent works ... assembled into a collective whole.” As mentioned, the evidence was uncontroverted that the episodes were broadcast over the course of weeks, months, or even years, and could be repeated and rearranged at the option of the broadcaster. Because this evidence supports the conclusion that the episodes were not “assembled into a collective whole,” it was not error for the district court to reject Feltner’s contention that each series was a “compilation” under § 504(c).

The district court did not err in calculating the number of infringements.

VIII. AMOUNT OF STATUTORY DAMAGES AWARDED

[23] “[T]he court has wide discretion in determining the amount of statutory damages to be awarded, constrained only by the specified maxima and minima.” *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984). “Within these limits the court’s discretion and sense of justice are controlling.” *Peer International*, 909 F.3d at 1336 (quoting *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952)). Feltner argues that the court’s award was erroneous because it failed to take into account

certain factors and because it failed to articulate its reasons for the award. However, considering the numerous willful infringements involved, for which the maximum award is \$100,000 per work infringed, the district court's award of \$20,000 per work infringed is well within the statutory limits and is not an abuse of discretion.

IX. COLUMBIA'S FEES

[24] "The decision to award fees, and the amount of fees awarded, are both reviewed for abuse of discretion." *Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 886 F.2d 1545, 1556 (9th Cir. 1989), *cert. denied*, 494 U.S. 1017 (1990). While a plaintiff in a copyright action is generally awarded fees by virtue of prevailing in the action, the plaintiff still bears the burden of showing the time spent and hourly rate to be reasonable. *Id.* at 1556-57. Feltner challenges the district court's fee award on three grounds: (1) Feltner was not given enough time to oppose it; (2) "there was no effort to delete items related to unrelated matters"; and (3) the district court granted Columbia all of the fees requested without providing any discussion or explanation.

Feltner's first two challenges miss the mark. As to the first, Feltner has not demonstrated that the district court's refusal to grant a two-week continuance was an abuse of discretion. The district court did grant a one-week continuance, giving Feltner two weeks to prepare an opposition. As to the second, Feltner has not cited any specifics in support of his contention that some entries were not "reasonably necessary to the successful prosecution of [Columbia's] copyright claims," *Frank Music*, 886 F.2d at 1557, and has therefore failed to show that the district court's refusal to delete any entries was an abuse of discretion.

[25] Feltner's third challenge, however, has merit. This Circuit has a "long-standing insistence upon a proper explanation of any fee award" by a district court. *Intel Corp. v. Terabyte Int'l, Inc.*, 6 F.3d 614, 623 (9th Cir. 1993); *see also Frank Music*, 886 F.2d at 1557 ("In setting a reasonable attorneys fee, the district court should make specific findings

of the rate and hours it has determined to be reasonable."); *Sealy, Inc. v. Easy Living, Inc.*, 743 F.2d 1378, 1385 (9th Cir. 1984) ("The district court appears to have accepted uncritical plaintiff's representations concerning the time expended on this case, and it awarded the entire amount requested by plaintiff. Such a procedure is inadequate."). The district court, rather than providing a reasoned explanation of its fee award, simply included the entire amount requested in the final judgment. Thus, without expressing any opinion on whether or not the fees claimed were reasonable, we must vacate the district court's fee award and remand the matter so that the district court may provide a reasoned explanation supporting the amount of fees awarded.

X. APPELLANT'S FEES

Feltner and Krypton International contend that they were entitled to attorneys' fees as prevailing parties under the license agreements. Additionally, Krypton International asserts that it was entitled to attorneys fees under 17 U.S.C. § 505 because it prevailed on Columbia's copyright claims.

[26] As to their claim for fees under the license agreement, California law governs. *Diamond v. John Martin Co.*, 753 F.2d 1465, 1467 (9th Cir. 1985). Under California law, a defendant in a contract action is not a prevailing party when the plaintiff voluntarily dismisses the action. Cal. Civ. Code § 1717(b)(2). This is so regardless of whether the dismissal is with or without prejudice. *D & J, Inc. v. Ferro Corp.*, 222 Cal.Rptr. 656, 657 (Ct. App. 1986). Thus Appellants were not prevailing parties under the license agreement.⁹

As to Krypton International's claim for fees pursuant to 17 U.S.C. § 505, it has failed to show that the district court's denial of its fee request was an abuse of discretion. *See, e.g.,*

⁹ In reply, Appellants argue that they should have been awarded fees under Rule 11. However, because Appellants never brought a Rule 11 motion in the district court, this argument is without merit. *See Fed.R.Civ.P. 11(c)(1)(A)* ("A motion for sanctions under this rule shall be made separately from other motions or requests. . . .").

National Conference of Bar Examiners v. Multistate Legal Studies, Inc., 692 F.2d 478, 488 & n.12 (7th Cir. 1982), *cert. denied*, 464 U.S. 814 (1983).

CONCLUSION

Except for the district court's award of attorneys' fees to Columbia, we affirm the decision of the district court in all respects. We vacate the fee award and remand the matter on a limited basis so that the district court may provide a reasoned explanation of the amount of fees awarded. We retain jurisdiction over this appeal during the pendency of the limited remand, and the district court shall forward a copy of its order awarding fees within sixty days of the issuance of this remand.

APPENDIX B

[FILED Apr. 4, 1994]

[ENTERED Apr. 3, 1994]

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

COLUMBIA PICTURES	)	No. CV. 91-6847 ER (CTX)
TELEVISION, INC.,)	
)	
Plaintiff,	)	ORDER FOR JUDGMENT
)	
v.)	
)	
KRYPTON BROADCASTING)	
OF BIRMINGHAM, INC., et al.,)	
)	
Defendant.)	
)	

On March 12, 1994, this matter came before the United States District Court for the Central District of California, the Honorable Edward Rafeedie, presiding, for a bench trial on the amount of statutory damages under the Copyright Act to be assessed against defendant C. Elvin Feltner Jr. (Feltner). The Court having previously granted partial summary judgment in favor of plaintiff Columbia Pictures (Columbia) on the issue of liability for contributory and vicarious copyright infringement against defendant Feltner, plaintiff's claim against Defendant Krypton International Corporation having been dismissed.

WHEREFORE, after considering the evidence presented in Court, arguments of counsel and all other matters presented to the Court, the Court concludes as follows:

1. A total of Four Hundred and Forty (440) episodes of Columbia's television programs were broadcast by the defendant after the termination of the licensing agreements.

The Court concludes that each episode constitutes a separate work for purposes of computing statutory copyright damages. Twin Peaks Prods. v. Publications, Int'l, Ltd. 996 F. 2d 1366 (2d Cir. 1993). Furthermore, the Court finds that the "Who's the Boss?" episodes broadcast by WNFT are separate acts of infringement from the episodes broadcast by WTVX. Therefore, there were Four Hundred and Forty (440) separate infringements for which defendant Feltner was liable.

2. Under the Copyright Act, 17 U.S.C. § 504(c), the range for each statutory damage award is from a minimum of \$500 to a maximum of \$20,000 per work infringed. The minimum is lowered to \$200 per work for innocent infringement, and the maximum is raised to \$100,000 for willful infringement.

3. In this matter, the Court finds that defendant Feltner's infringement was willful. On previous motion for partial summary judgment, the Court found that Columbia's termination of the licensing agreements on October 17, 1991 was clear and unequivocal. This alone should have put the defendant on notice that his continued broadcast of the Columbia programs was without license, and therefore infringing.

The evidence demonstrates that Feltner was repeatedly warned by both Columbia and people within the Krypton entities that continued broadcasts were unauthorized and infringing. Moreover, the evidence is clear that over 94% of the episodes infringed (415 of the 440 episodes) were broadcast after the Complaint in this action was filed on December 17, 1991.

Defendant contends that he believed the default letters and even the lawsuit were "tools" Columbia was using to collect the largely unpaid licensing fees defendant owed. The Court finds that it would have been unreasonable to believe this, in light of the clear language of the termination letters and Feltner's extensive experience in the business world. After the October 17, 1991, termination, Columbia stopped

shipping tapes with new programming, and stopped sending monthly bills.

Finally, defendant's failure to send even a small payment on any of the license agreements, when there had at least been token payments before the termination, belies defendant's claim that he thought the termination was a mere billing dispute.

4. With a finding of willfulness, the range of statutory damages to be awarded is from \$500 to \$100,000. In the Ninth Circuit, "[t]he court has wide discretion in determining the amount of statutory damages to be awarded, constrained only by the specified maxima and minima." Harris v. Emus Records Corp. 734 F.2d 1329, 1335 (9th Cir. 1984).

5. The Court therefore awards plaintiff Twenty Thousand Dollars (\$20,000) for each work infringed, for a total of Eight Million, Eight hundred thousand dollars (\$8,800,000), plus attorneys' fees and costs incurred by Columbia in the prosecution of this action, in an amount to be determined by motion of the plaintiff within 15 days of receipt of this Order.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that the Clerk of the Court shall serve, by United States mail, copies of this Order on counsel for the parties in this matter.

Dated: April 4, 1994

/s/
Edward Rafeedie

APPENDIX C

CIVIL DOCKET CONTINUATION SHEET

...

Date	NR.	Proceedings
11/19/93	BP	228. M.O. Court having read & considered all pleadings submitted & having heard stmt of cnsl, mot pla in limine to exclude consideration of dft's counterclaims & mot to confirm bench trial is granted. Pla's counsel is given permission to fl mot. to dismiss or mot for partial S/J. c/r Mary Tucker

APPENDIX D

[FILED Sep. 28, 1993]

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

COLUMBIA PICTURES	) No. CV. 91-6847-ER
TELEVISION, INC.,)
	) ORDER GRANTING
Plaintiff,	) PLAINTIFF'S MOTION
	) FOR SUMMARY
v.	) ADJUDICATION RE
	) COPYRIGHT LIABILITY
KRYPTON BROADCASTING	) AGAINST DEFENDANT
OF BIRMINGHAM, INC., et al.,	) C. ELVIN FELTNER, JR.
)
Defendant.)

WHEREAS on December 1, 1992, Plaintiff, Columbia Pictures Television, Inc. ("Columbia") moved the Court for Summary Adjudication Re Copyright Liability Against Defendant C. Elvin Feltner, Jr.

WHEREAS oral argument on the aforesaid motion for summary adjudication was held before the Honorable Edward Rafeedie on September 27, 1993, Henry J. Tashman appearing on behalf of Columbia and Daniel Johnson appearing on behalf of Defendant C. Elvin Feltner, Jr.

WHEREFORE, after considering the moving and opposing papers, arguments of counsel and all other matters presented to the Court, and for the reasons stated in open court, IT IS HEREBY ORDERED, as follows:

1. That Plaintiff Columbia Pictures Television, Inc. is entitled to entry of an interlocutory judgment in its favor finding that Defendant C. Elvin Feltner, Jr., is liable, under

the doctrines of vicarious copyright infringement and contributory copyright infringement, for Six Hundred Sixty Four (664) separate infringements of Columbia's copyrighted works "WHO'S THE BOSS?", "SILVER SPOONS", "HART TO HART", "T.J. HOOKER" on the dates set forth in Columbia's [Proposed] Statement of Undisputed Facts. The amount of damages with respect to the aforesaid infringements shall be determined at trial.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that the Clerk of the Court shall serve, by United States mail, copies of this Order on counsel for the parties in this matter.

Dated: September 28, 1993

/s/
Edward Rafeedie

HENRY J. TASHMAN, ESQ. (Cal. State Bar No. 108695)
CHRISTOPHER PESCE, ESQ. (Cal. State Bar No. 158732)

Of Counsel

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Attorneys for Plaintiff
COLUMBIA PICTURES TELEVISION, INC.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

COLUMBIA PICTURES	) Case No. CV 91-6847 ER (Ctx)
TELEVISION, INC.,)
)
Plaintiff,	) PLAINTIFF'S
	) [PROPOSED] STATE-
v.	) MENT OF UNCON-
	) TROVERTED FACTS
KRYPTON BROADCASTING	) AND CONCLUSIONS
OF BIRMINGHAM, INC.;	) OF LAW RE: LIABILITY
WABM BIRMINGHAM; KRYPTON	) FOR COPYRIGHT
BROADCASTING, INC.;	) INFRINGEMENT
KRYPTON INTERNATIONAL	) AGAINST DEFENDANT
CORP.; WMPT-TV; BONO	) C. ELVIN FELTNER, JR.
EQUITY CORPORATION a/k/a)
NORTH FLORIDA 47, INC.;	) Date: December 28, 1992
KRYPTON BROADCASTING	) Time: 10:00 a.m.
OF JACKSONVILLE, INC., a	) Place: Courtroom of the
Florida Corporation; KRYPTON	) Honorable Edward
BROADCASTING OF JACK-	) Rafeedie
SONVILLE, INC., a Delaware)
Corporation; KRYPTON BROAD-)
CASTING OF FORT PIERCE,)
INC., a Florida corporation;)

KRYPTON BROADCASTING)
 OF FORT PIERCE, INC., a)
 Delaware Corporation; KRYPTON)
 BROADCASTING CORPORA-)
 TION, a Delaware Corporation;)
 WTWV, INC.; WTVX; C. ELVIN)
 FELTNER, JR., DANIEL S. DAY-))
 TON; and ALFRED F. DECUIR,)
)
 Defendants.)
)

After consideration of the papers in support of and in opposition to plaintiff's motion for summary judgment and the oral argument of counsel, the Court determines that the following facts have been established re:

UNCONTROVERTED FACTS

A. Parties

1. Columbia Pictures Television, Inc. ("Columbia"), is a Delaware corporation with its principal place of business in the County of Los Angeles. First Amended Complaint at ¶ 1.

2. Krypton International Corporation is a holding company that owns Krypton Broadcasting Corporation. Krypton Broadcasting owns three television stations: Krypton Broadcasting of Jacksonville, Inc., which operates television station WMPT (hereinafter "WMPT"); Krypton Broadcasting of Birmingham, Inc., which operates television station WABM (hereinafter "WABM"); and Krypton Broadcasting of Fort Pierce, Inc., which operates television station WTVX (hereinafter "WTVX"). Feltner Dep. at 44, and 47-50; Plaintiff's Memorandum at 1-2. Mr. Feltner is the Chairman of the Board of each of these corporations. Feltner Dep. 33, 37, 44-50; Plaintiff's Memorandum at 1-2.

B. Program Licensing Contracts

3. Columbia licensed WABM to broadcast two television series, "HART TO HART" and "T.J. HOOKER," pursuant to two contracts directly between Columbia and Krypton Broadcasting of Birmingham. See Ex. G and H to Eliss Keen Decl.; Plaintiff's Memorandum at 2.

4. Pursuant to two license contracts between Columbia and WTWV, Inc., Columbia licensed WTWV, Inc. to broadcast on television station WTVX, which WTWV, Inc. then owned, "WHO'S THE BOSS?" See Ex. F to Eliss Keen Decl.; Plaintiff's Memorandum at 2. These contracts were assumed by Krypton Broadcasting of Fort Pierce, Inc. See Ex. B to Tashman Decl. at pp. 25-26 and Schedule D thereto; Plaintiff's Memorandum at 2.

5. Columbia licensed WNPT to broadcast "WHO'S THE BOSS?," "SILVER SPOONS," "THE FACTS OF LIFE," "PUNKY BREWSTER," and "T.J. HOOKER," all pursuant to license contracts between Columbia and North Florida 47, Inc., the former station owner. See Ex. A, B, and D to Eliss Keen Decl.; Plaintiff's Memorandum at 2. These contracts were assumed by Krypton Broadcasting of Jacksonville. See Ex. C, to Tashman Decl. at § 2(A)(iv) and (D) and Ex. D and E (the Asset Purchase Agreement); Plaintiff's Memorandum at 2.

6. Each episode of each of these television programs is separately copyrighted, and Columbia holds the copyright to each such episode. Declaration of Gregory K. Boone Decl. at ¶ 3; Plaintiff's Memorandum at 2.

C. Termination of Licensing Contracts

7. On October 17, 1991, Columbia sent a termination letter to Mr. Feltner, advising him that each station was in default for nonpayment of license fees, that such nonpayment constituted an event of default, and that Columbia was exercising its rights of termination and other remedies under the contracts. Exhibit A to Darakjy Decl.; Plaintiff's Memorandum at 2-3.

8. Columbia essentially made three demands in this termination letter: (1) that Mr. Feltner's television stations, WABM, WTVX, and WNFT cease and desist all further broadcast of the Columbia programs; (2) that each station return all video cassette copies of the programs to Columbia, and (3) that each station immediately pay the full amount of the license fees due under the contracts. Exhibit A to Darakjy Decl. at p. 3; Plaintiff's Memorandum at 3. Columbia also expressly warned Mr. Feltner in this letter that any further broadcasts of Columbia programs by his stations would constitute intentional copyright infringement for which Columbia would seek additional remedies. *Id.*

9. The warning to Mr. Feltner was repeated in a letter from Columbia's counsel on November 8, 1991. Ex. G to Tashman Decl.; Plaintiff's Memorandum at 3.

D. Conduct Following Termination of Licensing Contracts

10. On each of October 24, 25, 26, 29, 30, and 31, November 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, and 29, and December 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, and 31, 1991, and January 1, 2, 3, 6, 7, 8, 9, 10, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, February 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, and 28, March 2, 3, 4, 5, 6, 9, 16, 17, 18, 19, 20, 30, and 31, April 1, 2, 3, 6, 7, 8, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, and 30, May 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27 and 28, June 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, and 30, July 1, 2, 3, 4, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, and 31, August 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, and 31 and October 1, 3, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 20, 21, 22, and 23, 1992, WTVX broadcast an episode of "WHO'S THE BOSS?," a total of Two Hundred Twenty Four (224) broadcasts. Decl. of Constance L. Thomas at ¶ 4; Plaintiff's Memorandum at 3-4.

11. On each of October 24, 25, 28, 29, 30, November 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 20, 21, 22, 25, 26, 27, 28, 29, December 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 16, 18, 20, 23, 24, 26, 27, 30, and 31, 1991, and January 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, and 31, February 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, and March 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, and 31, April 1, 2, 3, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, and 30, May 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, and 29, June 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, and 30, July 1, 2, 7, 8, 13, 16, 17, 20, 22, 24, 27, 29, 30, and 31, August 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, and 31 and September 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 28, 29, and 30, October 1, 2, 5, 6, 7, 8, 9, 12, 13, 14, 15, and 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30 and November 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, and 20, 1992, WMPT broadcast an episode of "WHO'S THE BOSS," a total of Two Hundred Sixty Seven (267) broadcasts. Constance L. Thomas Decl. at ¶ 6; Plaintiff's Memorandum at 4-5.

12. On each of November 9, 16, 23, 26 and 30, and December 7, and 21, 1991, January 4, March 31 and April 4, and 11, and May 14 and 28, 1992, WMPT broadcast an episode of "SILVER SPOONS," a total of thirteen (13) broadcasts. Constance L. Thomas Decl. at ¶ 7; Plaintiff's Memorandum at 6.

13. On each of December 10, 11, 13, 16, 17, 18, 19, 20, 23, 26, 27, 30, and 31, 1991, and January 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, February 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, March 2, 3, 4, 5, 6, June 26 and 30, July 2, 3, 7, 10, 13, 14, 16, 24, 27, 28, 31, August 5, 6, 7, 10, 11, 12, 13, 21, 24, 26, 27, 28, 31, and September 1, 3, and 4, 1992, WABM broadcast an episode of "HART TO HART," a total of Eighty-Nine (89) broadcasts." Constance L. Thomas Decl. at ¶ 10; Plaintiff's Memorandum at 5.

14. On each of December 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 23, 26, 27, and 31, 1991, and January 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30 and 31, February 1, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, and March 2, 3, 4, 5, 6, and 7, WABM broadcast an episode of "T.J. HOOKER," a total of Seventy-One (71) broadcasts." Constance L. Thomas Decl. at ¶ 10; Plaintiff's Memorandum at 5.

E. Mr. Feltner's Authority Over the Stations

15. Mr. Feltner supervises the management of all of the Krypton International divisions, Feltner Dep. 37, moves all policy decisions for the three approves all contracts involving the stations, *Id.*, and testified that "[t]he program schedule is totally my responsibility. I take recommendations from other people, but the final decision is mine." Feltner Dep. at p. 51-52; Plaintiff's Memorandum at 6. Mr. Feltner reviews and authorizes everything broadcast on the stations. Feltner Dep. at 283-85 and 300; Plaintiff's Memorandum at 6. Station personnel adhere to the policy that only Mr. Feltner is authorized to make program changes. Feltner Dep. at 382-83; Plaintiff's Memorandum at 6.

CONCLUSIONS OF LAW

1. The Court has jurisdiction of this action pursuant to 28 U.S.C. §§ 1338(a)(b) and 1367(a).

2. Columbia seeks summary adjudication pursuant to Fed. R. Civ. P. 56(c). Mr. Feltner has raised no genuine issues of material fact that would preclude summary judgment on the issues raised in Columbia's motion.

3. Columbia owns valid copyrights in each episode of the television series "WHO'S THE BOSS?," "HART TO HART," "T.J. HOOKER," "ONE DAY AT A TIME," "SILVER SPOONS," "THE FACTS OF LIFE," and "PUNKY BREWSTER." See generally Declaration of Gregory K. Boone.

5. As the owner of the copyright of each episode of "SILVER SPOONS," "WHO'S THE BOSS?," "T.J. HOOKER," and "HART TO HART," Columbia holds the exclusive right to perform the work publicly. 17 U.S.C. § 106(4). Broadcasting a work on television is a public performance. See WGW Continental Broadcasting Co. v. United Video, 693 F.2d 622, 625 (7th Cir. 1983); 2 M. Nimmer, Nimmer on Copyright § 8.14(B).

6. The Krypton-owned and operated television stations infringed Columbia's copyrights by broadcasting episodes of "SILVER SPOONS," "WHO'S THE BOSS?," "T.J. HOOKER," and "HART TO HART" after the stations' licenses with Columbia were terminated. Paramount Pictures v. Metro Program Network, 962 F.2d 778, 779 (8th Cir. 1992). Each of the 664 broadcasts of an episode made after the program license was terminated constituted an infringement of a copyrighted work. *Id.*

7. Mr. Feltner personally participated in, indeed, caused, and materially contributed the acts constituting each infringement after ignoring repeated requests from Columbia that he cease and desist the activity. Accordingly he is jointly and severally liable for those infringements under the doctrine of contributory infringement. 3 Nimmer § 12.04(A)(3)(a).

8. In addition, Mr. Feltner had the right and ability to supervise the infringing activities and, as the sole shareholder of the company that owns the infringing stations, has a direct financial interest in that activity. Accordingly Mr. Feltner also is vicariously liable for each infringement. *E.g.*, Southern Bell Tel. & Tel., 756 F.2d at 511.

9. Columbia is entitled to damages for the multiple infringements of its copyrights in an amount to be determined at trial.

10. Mr. Feltner has neither paid nor offered evidence of facts sufficient to raise a genuine issue of material fact as to the applicability of its affirmative defenses, including failure to state a claim; unclean hands; contributory negligence;

equitable estoppel, misrepresentation; authority to broadcast programming; excused performance; and prevention of performance. Columbia, therefore, is entitled to an order adjudicating Mr. Feltner liable for copyright six hundred and sixty-four (664) infringements of Columbia's copyrighted works.

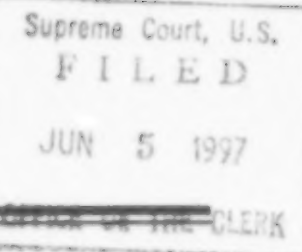
Dated this 30th day of November, 1992

DAVIS WRIGHT TREMAINE
Henry J. Tashman, Esq.
Attorneys for Plaintiff
COLUMBIA PICTURES
TELEVISION, INC.

By: /s/
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No. 96-1768



IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

C. ELVIN FELTNER, JR.,
Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Petition for Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether, following a district court's summary judgment determination of liability for copyright infringement, the Seventh Amendment to the United States Constitution entitles the defendant to have a jury, rather than the district court judge, exercise discretion to determine the amount of statutory copyright damages to be awarded within the ranges established by Congress in 17 U.S.C. § 504(c).

RULE 29.1 LISTING

Pursuant to Rule 29.1, Respondent Columbia Pictures Television, Inc., provides the following information:

The shares of Sony Corporation are publicly traded in the United States. Sony Corporation's subsidiaries and divisions include: Respondent Columbia Pictures Television, Inc.; Columbia Pictures Industries, Inc.; TriStar Pictures; Sony Music; CPT Holdings, Inc.; ELP Communications; Embassy Telecommunications; Embassy Television; Embassy Communications; and T.A.T. Communications Company.

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1996

No. 96-1768

C. ELVIN FELTNER, JR.,
v. *Petitioner,*

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Petition for Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

RESPONDENT'S BRIEF IN OPPOSITION

INTRODUCTION

Petitioner C. Elvin Feltner, Jr. ("Feltner") asks the Court to ignore the key facts of this case and to review and resolve an issue which would have a negligible impact on future cases and would not affect the outcome of this case. The Ninth Circuit determined in this case that the Seventh Amendment does not require that a jury (rather than the trial judge) assess the level of copyright statutory damages within Congressionally mandated ranges after liability for infringement has been established on summary judgment. That decision is consistent with this Court's copyright and Seventh Amendment jurisprudence and with the vast majority of other circuit court decisions.

The district court's factual determinations at trial in this case, moreover, were based on uncontested facts, rendering theoretical, at best, any rights to a jury trial. Other issues which were resolved by the district court were determined as a matter of law, assuming Feltner's facts to be correct. Thus, the question of whether there is a right under the Seventh Amendment to have a jury determine all factual issues on a claim for copyright statutory damage is not presented here. Respondent Columbia Pictures Television, Inc. ("Columbia"), therefore, urges the Court to deny the petition for writ of certiorari (the "Petition").

STATEMENT OF THE CASE¹

Feltner is chairman of the board and sole shareholder of Krypton International Corporation, which is the sole shareholder of Krypton Broadcasting Corporation. Feltner is also chairman of the board for the three wholly-owned subsidiaries of Krypton Broadcasting Corporation: Krypton Broadcasting of Jacksonville, Inc. (which owned and operated television station WNFT); Krypton Broadcasting of Fort Pierce, Inc. (which owned and operated television station WTVX); and Krypton Broadcasting of Birmingham, Inc. (which owned and operated television station WABM).

Krypton Broadcasting of Jacksonville, Inc., acquired station WNFT in June 1990 and assumed licenses to broadcast several Columbia television series, including "WHO'S THE BOSS?" and "SILVER SPOONS." The corporation assumed the obligation of paying the license

¹ Columbia's summary of the relevant facts is derived from its brief to the Ninth Circuit but does not include the record citations. All of these facts, however, are contained in the Second Amended Pre-Trial Conference Order and the testimony of Feltner and his employees, as reported either in the Trial Transcript or the excerpts of depositions attached to Columbia's Motion for Partial Summary Judgment.

fees for these series in monthly installments of \$20,583 ("WHO'S THE BOSS?") and \$18,394 ("SILVER SPOONS") for the right to broadcast all episodes, each of which is registered as a separate copyrighted work. For the next fifteen months, however, Feltner, WNFT, and Columbia engaged in negotiations to restructure WNFT's payment of the license fees. Despite the parties' efforts, they were unable to reach an agreement. During that time, Columbia received less than \$160,000 in license fees, while WNFT owed \$1,325,369 in license fees that were more than 30 days past due—over \$500,000 of which was more than 365 days past due.

Krypton Broadcasting of Fort Pierce, Inc., assumed existing license agreements with Columbia as part of the acquisition of WTVX in April 1991, including a license for 910 telecasts of episodes of the television series "WHO'S THE BOSS?." The license agreement required WTVX to make monthly installment payments of \$24,570. In April 1991, \$22,731.86 was currently due on the station's licenses of Columbia programming. Four months later, Columbia received a single payment of \$22,731.86, but by October 15, 1991, Columbia had not received any other payments under the license agreement. As of that date, WTVX was 150 days past due on license payments and owed Columbia \$122,850 in past due payments under the licensing agreement for "WHO'S THE BOSS?." Unlike the program licenses for WNFT, neither FELTNER nor the Krypton corporations requested a restructure of the program licenses assumed for WTVX.

Feltner and the Krypton entities did not assume any licensing agreements with Columbia in connection with the purchase of WABM by Krypton Broadcasting Corporation of Birmingham, Inc. WABM negotiated two original licensing agreements with Columbia in November 1990 to broadcast 112 episodes of the television series "HART TO HART" and 90 episodes of the series "T.J. HOOKER."

Each episode of each series is copyrighted as an individual work and Columbia holds the copyright to each such episode. WABM was required to make monthly installment payments of the \$56,000 and \$54,000 in licensing fees (respectively) due under these contracts beginning in December 1990, but WABM made only a single, partial payment of \$31,942 in August 1991. As of October 15, 1991, WABM was 150 days past due in license payments.

Although WNFT, WTVX, and WABM each were separately owned and operated by a Krypton corporation, Feltner made all policy decisions and approved and executed all contracts involving these television stations. Feltner had total responsibility for the stations' program schedule. He reviewed and authorized every broadcast on the stations, and station personnel adhered to the policy that only Feltner was authorized to make program changes.

On October 17, 1991, Columbia sent letters to Feltner and to each of the Krypton television stations terminating all existing program licenses and warning that any further broadcast of the programming would constitute copyright infringement.² Columbia's outside counsel repeated that

² Feltner asserts in his Petition (without citation), that he presented "substantial evidence" at trial that the stations "paid more than \$300,000 to Columbia, after Columbia's termination letters were sent." Petition at 21. This is incorrect. It is undisputed that no monies whatsoever were paid by Feltner between October 1991 (when Columbia terminated all licenses and declared all subsequent broadcasts to be infringements) and December 1992 (when Columbia filed its motion for summary judgment). Second Amended Pre-Trial Conference Order at 13-15. The \$250,000 paid to Columbia in 1993 (of which \$100,000 was, in fact, paid on December 24, 1992) was a nonrefundable deposit, for new consideration, under a written settlement agreement, not (as Feltner claims) payment of license fees. *Id.* at 15. See Trial Transcript at 42, 47 & 62 (Feltner was unaware of any payments between November 1991 and December 1992 other than the settlement payments made in late 1992). In addition, payments made before the October 17, 1991 termination letter totalled only \$215,600 (\$160,920 for WNFT plus \$22,738 for

warning in letters dated November 5, 1991, and December 10, 1991. Columbia initiated this action for copyright infringement and related causes of action in the District Court for the Central District of California on December 17, 1991. An amended complaint was filed on January 14, 1992.

The Krypton television stations continued to broadcast Columbia's programming, without paying any amounts due under the licensing agreements, long after suit was filed. They continued these infringing broadcasts after the district court ruled that the complaint stated a claim for copyright infringement and even after Columbia filed its motion for summary judgment on Feltner's liability as an infringer. WNFT broadcast 145 different episodes of "WHO'S THE BOSS?" a total of 411 times and 22 different episodes of "SILVER SPOONS" a total of 22 times; WTVX broadcast 149 different episodes of "WHO'S THE BOSS?" a total of 395 times; and WABM broadcast 62 different episodes of "HART TO HART" a total of 90 times and 62 different episodes of the series "T.J. HOOKER" a total of 66 times. Of the 440 series episodes that Feltner infringed, "415 of them were broadcast after the complaint in this action was filed." Petition App. at 13a.

The district court granted Columbia's motion for partial summary judgment on the issue of Feltner's liability for contributory and vicarious copyright infringement. Following a bench trial, the court found that Feltner's infringement of Columbia's 440 copyrights was willful and awarded Columbia \$20,000 per work infringed, for a total of \$8.8 million in statutory copyright damages. The Ninth Circuit affirmed the liability determination and damage award.

WTVX, and \$31,942 for WABM)—not \$300,000 as Feltner asserts. *Id.* at 14. In sharp contrast, the total amount owed as of that date was \$1,468,653 (\$1,325,369 for WNFT, \$122,850 for WTVX, and \$20,434 for WABM). See *id.* at 4-5.

REASONS THE WRIT SHOULD BE DENIED

I. THIS COURT AND A MAJORITY OF CIRCUIT COURTS HAVE CONCLUDED THAT ASSESSMENT OF STATUTORY COPYRIGHT DAMAGES IS NECESSARILY WITHIN THE DISCRETION OF THE TRIAL JUDGE.

The issue of a jury trial did not arise in this case until after the district court had granted summary judgment in favor of Columbia, having found no genuine issue of material fact and concluding as a matter of law that Feltner was liable for multiple copyright infringements. *See* Petition App. at 25a-26a. Prior to trial on the amount of statutory damages, the district court granted Columbia's motion in limine to confirm a bench trial. *Id.* at 24a. The Ninth Circuit affirmed, "agree[ing] with those cases holding that the Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages because an award of such damages is equitable in nature." *Id.* at 12a. This Court and the majority of other circuit courts have reached similar conclusions. Those few courts that disagree with the majority view have ignored, misinterpreted or misapplied this Court's jurisprudence.

A. The Ninth Circuit's Decision in This Case Is Consistent With the Decisions of This Court and a Majority of Circuit Courts.

The vast majority of circuit courts to have addressed the issue, like the Ninth Circuit, have concluded that an award of statutory copyright damages is properly within the sound discretion of the trial judge and not the jury. *See Cable/Home Communication v. Network Prods., Inc.*, 902 F.2d 829, 852-53 (11th Cir. 1990); *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1177-79 (9th Cir. 1977); *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77, 79-80 (1st Cir.

1957); *see generally* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.04[C] (1996) (concluding these and related decisions represent the "better view").

The most thorough explanation of this conclusion was undertaken by the district court in *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D. Del. 1990). The district court in that case analyzed the issue under this Court's three-part inquiry for determining whether a statutory action for damages should be considered to be legal (and thus giving rise to a Seventh Amendment right to jury trial) or equitable (with no such right): "first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries." *Ross v. Bernhard*, 396 U.S. 531, 538 n.10 (1970). The *Raydiola Music* court found neither the pre-merger custom (the first factor) nor the abilities and limitations of the jury (the third factor) to be decisive. The court then focused on the second factor—the remedy sought.

Examining the remedy, the court analyzed the nature of statutory copyright damages and observed that such damages consistently "are considered remedial or restitutionary, remedies traditionally reserved to equity." 729 F. Supp. at 375. In addition, "the purpose of statutory damages is to remedy a wrong which would otherwise go unremedied if actual damages could not be proven," which "has long been the province of equity." *Id.* at 375-76. Finally, the statutory damage range provided in Section 504(c) "is subject to the exercise of discretion," and "[t]he exercise of discretion in fixing statutory damages is traditionally thought of as equitable." *Id.* at 376. The thoroughly equitable nature of remedy convinced that court—as well as the majority of circuit courts—that assessment of statutory copyright damages is appropriately consigned to judicial discretion, not to a jury.

These decisions are consistent with—and follow from—this Court's characterization of the Copyright Act's statutory damages provision as quintessentially equitable. The Court has consistently observed that statutory copyright damages necessarily are to be determined according to the exercise of judicial discretion within statutory limits:

The phraseology of the [statutory damages] section was adopted to avoid the strictness of construction incident to a law imposing penalties, and to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits. . . .

. . . . [T]he purpose of the act is not doubtful. The trial judge may allow such damages as he deems to be just [within the statutory limits].

Douglas v. Cunningham, 294 U.S. 207, 209-10 (1934) (emphasis added). Statutory copyright damages, as the Court has found, are intended to provide an equitable remedy where the legal remedy of actual damages fails to recompense the plaintiff for its injuries, and Congress has established the limits within which the trial judge—not a jury—may exercise discretion to provide justice.

The Court has further observed that the varied nature of copyright infringements requires that the trial judge be given discretion to ensure an appropriate remedy where the law has not afforded one. "The necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of the wide judicial discretion within limited amounts conferred by this statute." *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952) (emphasis added).³ Although

³ The Court's analysis in *Douglas* and *F.W. Woolworth* was based on the statutory damages provision in the 1909 Copyright Act, but neither this Court nor any circuit court has concluded that the amendments in the 1976 Act changed the nature of statutory copy-

not directly presented with the Seventh Amendment issue, the Court's characterization of statutory copyright damages as equitable, and of remedying copyright infringement as necessitating wide judicial discretion, compels the conclusion reached by the Ninth Circuit in this case—that no right to jury trial exists for assessment of statutory damages under 17 U.S.C. § 504(c).

B. Inconsistent Decisions by Two Other Circuit Courts Are Legally and Analytically Flawed, Creating Only a Phantom Conflict.

Despite the weight of authority to the contrary, two circuit courts—the Fourth and Eighth Circuits—have concluded that the Seventh Amendment requires that a jury assess the amount of statutory damages for copyright infringement.⁴ Even a cursory review of these opinions demonstrates serious legal and analytical deficiencies. Whatever conflict is posed by these circuit courts would be better addressed on appeal of one of their decisions, not by reviewing a decision—like the Ninth Circuit's in this case—that is consistent with the analysis and conclusions of this Court and other circuit courts.

The Fourth Circuit, in one of the earliest decisions on this issue, *Gnosso Music v. Mitken, Inc.*, 653 F.2d 117, 119-21 (4th Cir. 1981), simply ignored this Court's analysis in *Douglas* and *F.W. Woolworth* and concluded that a suit for copyright damages, whether actual or

right damages. Feltner agrees that these provisions of the 1909 and 1976 Acts are "nearly identical" and any differences do not affect the Seventh Amendment analysis. Petition at 9 n.4.

⁴ The Seventh Circuit has concluded that assessment of statutory damages is for the trial judge but that the Seventh Amendment requires jury determination of liability and willfulness. *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1014-16 (7th Cir.), cert. denied, 502 U.S. 861 (1991). The result in the instant case is consistent with Seventh Circuit's limited view that the district court, not the jury, should assess statutory damages.

statutory, was a legal action requiring a jury trial. The *Gnossos Music* court purported to rely on the Court's decision in *Curtis v. Loether*, 415 U.S. 189 (1974), that new causes of action require a jury trial on demand if the statute creates legal rights and remedies. The Fourth Circuit, however, apparently disregarded the Court's cautionary note that "We need not, and do not, go so far as to say that any award of monetary relief must necessarily be 'legal' relief." *Id.* at 196. In light of the Court's observations in *Douglas* and *F.W. Woolworth* that copyright statutory damages are equitable and necessarily require the exercise of judicial discretion, the general holding in *Curtis* fails to support the Fourth Circuit's conclusion.⁵

The Eighth Circuit in *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996), agreed with the Fourth Circuit on different, but similarly flawed, grounds. Unlike the Fourth Circuit, the Eighth Circuit addressed this Court's analysis in *Douglas* and *F.W. Woolworth* and agreed that "given that statutory damages are by definition a substitute for unproven and unprovable actual damages, statutory damages are arguably the quintessential equitable remedy, invoked when the legal remedy is inadequate. But our analysis does not end here." *Id.* at 643. Based on the observation in *F.W. Woolworth* that statutory damages are also "designed to discourage wrongful conduct," 344 U.S. at 233, the Eighth Circuit concluded that statutory copyright damages have evolved to function as a penalty; that an award of punitive damages (a penalty equivalent) traditionally is a jury matter

⁵ The Fourth Circuit's decision is further suspect to the extent that it relies on attempts to analogize copyright infringement to a common-law action for tortious interference with a property right. This Court has concluded that "characterizing the relief sought is 'more important' than finding a precisely analogous common-law cause of action in determining whether the Seventh Amendment guarantees a jury trial." *Tull v. United States*, 481 U.S. 412, 421 (1987).

(citing *Tull v. United States*, 481 U.S. 412, 422 (1987)); and therefore that statutory damages for copyright infringement are a legal remedy for the jury to determine. *Cass County Music*, 88 F.3d at 643.

This syllogism, however, demonstrates that, like the Fourth Circuit in *Gnossos Music*, the Eighth Circuit was not sufficiently attentive to this Court's decisions. The Court observed in *F.W. Woolworth* not just that statutory copyright damages are designed, in part, to discourage wrongful conduct, but that "[t]he discretion of the court is wide enough to permit a resort to statutory damages for such purposes." 344 U.S. at 233. The discretion to discourage wrongful conduct is the same discretion the court found was necessarily exercised by the trial judge. *Id.* at 232. The possibility that a trial judge may exercise discretion to discourage wrongful conduct as well as to provide restitution does not divest the judge of that discretion or magically convert what is an equitable remedy into a legal one.

Nor does characterizing statutory copyright damages, in part, as a penalty lead to a different result. Even if that remedy could be construed solely as a "penalty"—a construction that this Court's decisions preclude—the Eighth Circuit disregarded the specific holding in *Tull* that the Seventh Amendment does *not* require a jury assessment of a penalty within the statutory limits established by Congress:

The Seventh Amendment is silent on the question whether a jury must determine the remedy in a trial in which it must determine liability. The answer must depend on whether the jury must shoulder this responsibility as necessary to preserve the "substance of the common-law right of trial by jury." Is a jury role necessary for that purpose? We do not think so. "Only those incidents which are regarded as fundamental, as inherent in and of the essence of the system of trial by jury, are placed beyond the reach of

the legislature.' " The assessment of a civil penalty is not one of the "most fundamental elements." . . .

Congress' assignment of the determination of the amount of civil penalties to trial judges therefore does not infringe on the constitutional right to jury trial. Since Congress itself may fix the civil penalties, it may delegate that determination to trial judges. . . . *We therefore hold that a determination of a civil penalty is not an essential function of a jury trial, and that the Seventh Amendment does not require a jury trial for that purpose in a civil action.*

Tull, 481 U.S. at 425-26 (footnote and citations omitted; emphasis added). Indeed, the Court even more broadly observed, "Nothing in the Amendment's language suggests that the right to a jury trial extends to the remedy phase of a civil trial." *Id.* at 426 n.9. Particularly in light of the Court's recognition of the equitable nature of statutory copyright damages, this observation compels the conclusion that assessment of such damages is for the trial judge, not a jury.

The Ninth Circuit's decision that Feltner was not entitled to a jury trial for the assessment of statutory copyright damages is consistent with this Court's copyright and Seventh Amendment jurisprudence, as well as decisions of the majority of other circuit courts. That two other circuit courts have ignored, misinterpreted and misapplied Supreme Court precedent does not justify review of this case merely to have the Court reaffirm what it and the majority of other courts have already decided.

II. A JURY TRIAL WOULD NOT HAVE AFFECTED THE OUTCOME IN THIS CASE.

Even were the Court inclined to address whether the Seventh Amendment requires a jury assessment of statutory copyright damages at the remedy phase of trial, this case does not provide the proper vehicle for considering that issue. The facts and unchallenged legal decisions by the lower courts in this case amply demonstrate that if

Feltner had a right to jury trial, that right was theoretical at best and its exercise would not have affected the outcome.

Feltner identifies three "critical" factual issues that a jury allegedly needed to resolve: (1) whether Feltner's copyright infringements were willful or innocent; (2) whether each of the television stations was a separate infringer; and (3) whether each of the episodes broadcast by Feltner's stations constituted a single work or part of a collective work. Petition at 20. None of these issues would be properly submitted to a jury in this case. Rather, they were predominantly legal issues. To the extent any of them required a factual determination, the material facts were uncontroverted, entitling Columbia to judgment rendered by the district court as a matter of law.

Issue 1: Willful/Innocent Infringement

The facts demonstrate that Columbia was entitled to judgment as a matter of law on the willfulness of Feltner's copyright infringements and that no opportunity would have existed for a jury determination of this issue. "Willful" within the meaning of 17 U.S.C. § 504 has been interpreted to mean "knowledge that the defendant's conduct constituted an act of infringement." *Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1335 n.3 (9th Cir. 1990), *cert. denied*, 498 U.S. 1109 (1991). "To refute evidence of willful infringement, [the defendant] must not only establish its good faith belief in the innocence of its conduct, it must also show it was reasonable in holding such a belief." *Id.* at 1336. Columbia introduced uncontroverted and overwhelming evidence that Feltner knew that his conduct constituted an act of infringement and that any subjective belief to the contrary was unreasonable as a matter of law:

- Feltner knew that Columbia sent letters to him and his television stations terminating the license agreements;⁶

⁶ Trial Transcript at 39-40, 46-49, 50-53 & 139-43.

- Feltner paid no licensing fees to Columbia after he received the letter terminating the license agreements on October 17, 1991, by which time the total amount owed under the agreements was \$1,468,653;⁷
- Feltner received (1) a memorandum prepared by one of his station controllers warning that Columbia considered Feltner's continuing broadcast of formerly licensed programs to be copyright infringement; and (2) a copy of a letter from another employee to Columbia requesting that Columbia waive default of the license agreements;⁸
- Feltner knew that Columbia had filed suit against him on December 17, 1991, including multiple claims of infringement of copyrights for the programs formerly licensed by Columbia to his television stations;⁹
- Feltner knew in early 1992 that his motion to dismiss the complaint for lack of federal subject matter jurisdiction—based on Feltner's argument that only a breach of contract claim and not a copyright infringement claim was stated—was denied by the district court;¹⁰
- Feltner knew in late 1992 that Columbia had moved for summary judgment as to his liability for copyright infringement—including post-complaint infringements;¹¹
- Feltner authorized the broadcast of 94% (415 of 440) of the infringements *after* the complaint

⁷ Second Amended Pre-Trial Conference Order at 4-15. The only money Columbia received after this date was a \$250,000 nonrefundable deposit for new consideration under a written settlement agreement, not for payment of license fees. *Id.* at 15.

⁸ Trial Transcript at 42-45.

⁹ *Id.* at 55-59.

¹⁰ *Id.* at 58-59.

¹¹ *Id.* at 59.

initiating this case was filed, despite the fact that he had never heard of a program supplier taking such action against a licensee.¹²

The only evidence presented by Feltner was his own testimony that, based on his extensive experience in the industry, he believed that Columbia's express termination of the licenses was only a negotiation ploy that he was free to ignore.¹³ Such self-serving testimony is inherently incredible when proffered by the experienced chairman of a company that owns and licenses copyrighted works and who has been adjudged liable for copyright infringement. Even if arguably genuine, moreover, Feltner's professed belief was unreasonable as a matter of law. *Peer Int'l*, 909 F.2d at 1336 (declaration of copyright infringer claiming he lacked intent to infringe is insufficient to raise issue of material fact as to willfulness of infringement in light of clear revocation of license).

The district court had previously found in granting partial summary judgment in favor of Columbia as to Feltner's liability for infringement that "Columbia's termination of the license agreements on October 17, 1991 was clear and unequivocal." Petition App. at 22a. The Ninth Circuit agreed. *Id.* at 8a. The district court concluded, "This alone should have put the defendant on notice that his continued broadcast of the Columbia programs was without license, and therefore infringing." *Id.* at 22a. Moreover, the Ninth Circuit held that Feltner could not

¹² Petition App. at 22a; Trial Transcript at 40, 49, 53, 61-64, 88 & 94; Second Amended Pre-Trial Conference Order at 10-15.

¹³ See Trial Transcript at 90-91. Feltner also presented the testimony of one of his employees to the same effect, but although purportedly an expert, the employee refused to testify that it was "industry custom" (as opposed to the employee's own experience) to ignore license termination notices. The employee also had not been aware of any program supplier bringing suit for copyright infringement against a licensee until Columbia filed this action. *Id.* at 200-01.

reasonably interpret Columbia's actions as anything but a termination of the license agreements. *Id.* at 7a-9a. Feltner asserts in his Petition that he presented "substantial evidence" he "believed in good faith . . . that the licenses had not validly been terminated." Petition at 21. Feltner, however, ignores *Peer Int'l* and the district court's finding during the trial on damages that Feltner's testimony was "untenable" and did "not constitute a defense" regarding willfulness. Trial Transcript at 182-183, 191. Feltner thus failed to raise a genuine issue of material fact as to the willfulness of his copyright infringements. Had this been a jury trial, Columbia would have been entitled to a directed verdict on that issue.¹⁴

Issue 2: Television Stations as Separate Infringers

The second alleged jury issue—whether each of the television stations was a separate infringer—was not a factual issue at the damages trial but was also decided by the district court on partial summary judgment. Petition App. at 25a-34a. Feltner never offered any evidence on this issue, either in opposition to summary judgment or at the damages trial. To the contrary, Feltner steadfastly maintained throughout the proceedings that the television stations were separate legal entities over which he exerted separate

¹⁴ Feltner selectively and deceptively quotes the Ninth Circuit's opinion as finding a genuine issue of fact on this issue. Petition at 21. The court stated in full, "Feltner's arguments, at best, demonstrate that the facts presented to the district court were susceptible to more than one interpretation." *Id.* App. at 13a (emphasis added). The Ninth Circuit thus found that even in the light most favorable to Feltner, the record evidence supported the district court's conclusion. The court was not required to determine—and did not address—the issue of whether a genuine issue of material fact existed. Rather, the court resolved only the issue presented: whether the record evidence supported the district court's decision. Had either the district or appellate court addressed whether Feltner had even raised a genuine issue of fact as to willfulness, however, the Ninth Circuit's decision in *Peer Int'l* would have dictated a finding that Feltner's conduct was willful as a matter of law.

control. Feltner raised two legal issues which relate to the district court's conclusion that for the purpose of calculating damages, the three stations were separate infringers. See Petition App. at 14a-15a. Both issues present purely equitable or legal issues which were within the exclusive province of the district court judge.¹⁵

Issue 3: Each Episode as a Single Work

The final alleged jury issue is whether each of the episodes broadcast by Feltner's television stations constituted a single work or part of a collective work. Again, the district court resolved this issue as a matter of law based on undisputed facts. Trial Transcript at 10, 203-207. Circuit courts have unanimously held—as the Ninth Circuit concluded here—that individually produced episodes of a television series that are individually broadcast or rented to viewers are separate works for copyright purposes. *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 768-70 (11th Cir. 1996), *cert. denied*, 117 S. Ct. 1248 (1997); *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116-17 (1st Cir. 1993); *Twin Peaks Prods. v. Publications Int'l*, 996 F.2d 1366, 1380-81 (2d Cir. 1993).

Feltner offered no evidence to dispute the facts that the episodes of the television series at issue in this case (1) were broadcast at random and often more than once at the option of the broadcaster, allowing viewers to watch

¹⁵ The first issue relates to the application of the doctrine of "judicial estoppel" based upon certain complaint allegations. *Id.* at 15a. Judicial estoppel "is intended to protect the integrity of the judicial process, it is an equitable doctrine invoked by the court at its discretion." *Russell v. Rolfs*, 893 F.2d 1033, 1037 (9th Cir. 1990) (quoting *Religious Technology Center v. Scott*, 869 F.2d 1306, 1311 (9th Cir. 1989) (Hall, J., dissenting)), *cert. denied*, 501 U.S. 1260 (1991). The second issue relates to Feltner's argument that because he was jointly and severally liable with each of the three television stations, the stations' separate infringements should be converted into one. Both the district court and the Ninth Circuit disposed of this argument as a matter of law. Petition App. at 15a n.7. Neither issue presents any matters for a jury to determine.

as few or as many episodes as they chose without the necessity of watching all of the episodes; and (2) were individually written, produced, and registered as separate works. The extraneous facts Feltner offered to introduce into the record thus had no bearing on the district court's decision; they presented no factual dispute that could have been submitted to a jury. Feltner, moreover, challenges neither the district court's exclusion of Feltner's proffered evidence nor the Ninth Circuit's legal conclusion that such evidence was irrelevant to the resolution of this issue. Thus, the issue of whether the episodes are separate works—like the issues of whether the television stations are separate infringers and whether Feltner's conduct was willful—would not have been before a jury, is *res judicata*, and would not be revisited even if Feltner were entitled to a jury trial.¹⁶

Jury as Fact Finder

Finally, Feltner urges the Court to grant *certiorari* because of the importance of maintaining "the jury as a fact-finding body." Petition at 19. Yet given the *sui generis*

¹⁶ Feltner also asserts that he "presented substantial evidence on these [three] issues," including evidence that (a) Columbia's programs had no value because Columbia would be "unable to re-license any of the programs in the same markets"; and (b) "the stations earned no profit from the programs." Petition at 21. No admissible evidence was submitted on these two positions. Feltner's evidence on the first proposition consisted exclusively of multiple hearsay and speculation. *See, e.g.*, Trial Transcript at 91, 127-128, 163, 167. In fact, Columbia believed that some of the programs could be resold in the same market. *Id.* at 160-161 and Exh. 506. With respect to the second proposition, while Feltner submitted evidence that the stations were not profitable as a whole—especially when taking into account interest on loans to purchase the stations and other overhead—the district court ruled that the testimony which extrapolated general station unprofitability to the profitability of Columbia's programs was "unacceptable testimony"—"hip shooting that is not permitted in federal court." Trial Transcript at 133. More fundamentally the district court held that both propositions were irrelevant. *See id.* at 162 & 134.

procedural history and facts presented here, the jury's fact-finding role has not been disturbed one whit. Feltner's liability for copyright infringement was decided via summary adjudication, as a matter of law—as was the fact that Columbia's termination was "clear and unequivocal" and put Feltner "on notice that any continued broadcast was infringing." Petition App. at 22a. At the bench trial on damages, the district court held as a matter of law that Feltner's argument that termination letters and infringement lawsuits were merely collection tools which could be ignored, simply did not state a defense with respect to willfulness (and, in any event, the \$20,000 per work awarded does not require a willfulness finding).¹⁷ Moreover, the district court and the Ninth Circuit decided the issues of whether each station was a separate infringer and whether each series episode was a separate work, as questions of law, despite Feltner's attempt to portray them as questions of fact. Thus, the question of the scope of the jury's function, if any, which Feltner asks the Court to resolve by granting his Petition, is anything but "squarely presented" here.

Feltner's Petition should be seen for what it is—a last ditch attempt to postpone responsibility for copyright infringement on a grand scale. It is no coincidence that the two largest awards for copyright infringement in recent history have been levied against Feltner (if the representations to that effect in his Petition are accurate). The facts in this case—and in the virtually identical *MCA*

¹⁷ Even if the district court had not found willfulness based upon undisputed facts—as it did—section 504(c) of the Copyright Act grants the district court the discretion, even absent a finding of willful or innocent infringement, to award \$20,000 for each work infringed (the amount awarded by the district court here). Because the Ninth Circuit ruled that willful/innocent infringement and the amount of damages awarded were for the court to decide, the Ninth Circuit did not address the fact that the district court's award did not require a finding of willfulness. Feltner's suggestion that the Ninth Circuit addressed and rejected this issue (Petition at 6 n.1) is incorrect.

Television case—more than adequately support the size of the statutory damage awards. Feltner cannot plausibly maintain any prejudice from the lack of a jury trial on these facts, particularly when he did not request a jury trial in *MCA Television*, which was tried to the court long after the district court rendered its decision here. The Court should not participate in a further delay of justice by reviewing an issue that will not affect the ultimate resolution of this case.

CONCLUSION

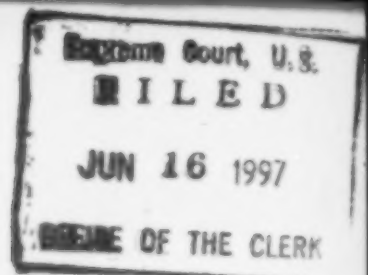
For the foregoing reasons, the Court should deny the petition for writ of certiorari.

Respectfully submitted,

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No. 96-1768

IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

C. ELVIN FELTNER, JR.,
Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

REPLY BRIEF FOR PETITIONER

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**On Petition for a Writ of Certiorari to the
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REPLY BRIEF FOR PETITIONER

In its opposition brief, respondent Columbia Pictures Television, Inc. ("Columbia") does not dispute the existence of an irreconcilable conflict among the circuit courts on the question presented. Nor does it dispute that the question was squarely raised and decided in this case, both by the District Court and the Court of Appeals. Instead, Columbia attempts to argue the merits of the issue at this preliminary stage, and hypothesizes that a jury trial (which it fought hard to avoid below) would have produced precisely the same result as the bench trial that was held in this case. As shown below, neither of these contentions should prevent the Court from granting certiorari to resolve this extraordinarily widespread conflict over a constitutional issue of undeniable importance.

1. While conceding the existence of a conflict, Columbia attempts to downplay it by asserting that the decision below is in accord with the holdings of the "vast majority" of circuit courts. See Opp. 1, 6. But as explained in our petition, three of the eight circuit courts to have addressed the issue have held that the Seventh Amendment guarantees a jury trial on issues relating to the imposition of statutory damages, while five have reached the opposite conclusion. See Pet. 8-16.¹ Five out of eight courts (including the Eleventh Circuit, which was bound by the decision of the former Fifth Circuit) is certainly not a "vast majority," and the Court has previously granted certiorari on Seventh Amendment issues to resolve conflicts that were significantly less widespread. See *id.* at 19. The conflict, moreover, has only been deepening, given that the two most recent circuit court decisions prior to this case—*Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996), and *Video Views, supra*—upheld a Seventh Amendment right.²

¹ It is simply not true, as Columbia contends (see Opp. 9), that the decision below is consistent with the Seventh Circuit's decision in *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010 (7th Cir.), *cert. denied*, 502 U.S. 861 (1991). In that case, as Columbia notes, the court held that "the Seventh Amendment requires jury determination of * * * willfulness." Opp. 9. Here, by contrast, the courts below rejected Feltner's contention that he was entitled to a jury trial on the question of willfulness, and willfulness was a principal subject of the bench trial held before the District Court over Feltner's objection. See Pet. App. 11a, 12a-13a; Transcript of March 15-16, 1994 Trial ("Tr.") at 7 ("The only issues to be tried in this case, as the court understands, is how many infringements were involved, and were they willful, and what should the damages be.").

² It is telling that the decision which Columbia believes contains the "most thorough explanation" of the issue is a *district court* ruling, *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D. Del. 1990). See Opp. 7. That is because none of the five circuit court decisions adopting Columbia's position—in contrast to the three circuit court decisions going the other way—engaged in any appreciable analysis of the issue. See Pet. 23 n.16.

Because the conflict is so clear and persistent, Columbia is reduced to arguing against certiorari on the ground that the federal circuit courts adopting Feltner's view are simply wrong. Such an argument only underscores the need for this Court's review. For however the Court may ultimately resolve the issue, there is no question that the issue has sharply divided the lower courts, and that only this Court can resolve the constitutional dispute. Indeed, the need for such review is amply shown by Columbia's curious suggestion that the conflict undeniably posed by the decisions of the Fourth and Eighth (and, we would add, the Seventh) Circuits "would be better addressed on appeal of one of their decisions." Opp. 9. Regardless of whether Feltner's or Columbia's view on the merits is correct, if certiorari is not granted in this case the Seventh Amendment will continue to mean one thing in the Fourth and Eighth Circuits, another in the First, Second, Fifth, Ninth, and Eleventh, and yet another in the Seventh. This Court should not allow that situation to persist any longer.

2. In any event, the fact that several circuit courts have so recently found a Seventh Amendment right to have a jury decide questions relating to the imposition of statutory damages also belies Columbia's suggestion (see Opp. 8-9) that such a holding is precluded by a simple application of this Court's decisions in *Douglas v. Cunningham*, 294 U.S. 207 (1935), and *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952). As Columbia concedes, the Court was not even presented with a Seventh Amendment question in those cases. See Opp. 9; see also *Cass County*, 88 F.3d at 642 n.4, 643 n.5 (references in *Douglas* and *F.W. Woolworth* to the trial judge assessing statutory damages were dicta). In fact, none of the circuits *denying* a Seventh Amendment right in copyright statutory damages cases since 1957 have relied on those cases, while the Eighth Circuit in *Cass County* very recently relied on *F.W. Woolworth* to reach the *opposite* conclusion. See *Cass County*, 88 F.3d at 643 (relying on fact that statutory damages are in part "'designed to discourage wrongful conduct'"—a prototypical legal remedy) (quoting *F.W. Woolworth*, 344 U.S. at 233).

The notion that this Court need not resolve a sharp conflict among eight circuits on a recurring constitutional issue arising from a federal statute because the circuits agreeing with petitioner's position allegedly overlooked a 62-year old and a 45-year old decision—when those decisions did not even present that issue and were not even cited by the four most recent circuit court opinions *agreeing* with respondent—should not be seriously entertained.

Nor is it true, as Columbia claims (*see* Opp. 11-12), that the resolution of this issue is preordained by this Court's decision in *Tull v. United States*, 481 U.S. 412, 422 (1987). In fact, Columbia never even cited *Tull* in its brief before the Court of Appeals—a curious omission if *Tull* were so controlling on the question presented. And contrary to Columbia's assertion that the Eighth Circuit in *Cass County* “disregarded” *Tull*, Opp. 11, the Eighth Circuit was fully aware of, and specifically relied on, that decision. *See Cass County*, 88 F.3d at 643. It is not surprising, moreover, that the Eighth Circuit did not find *Tull* in any way inconsistent with the position Feltner advocates here. *Tull* involved civil penalties paid to the government, while this case involves amounts paid to a prevailing party “instead of actual damages and profits,” 17 U.S.C. § 504(c)(1), in large part to compensate that party for infringement of a legal property right. In any event, Columbia's contention that the Eighth Circuit misunderstood *Tull*—which we dispute—is an argument *in favor of*, not against, granting certiorari to resolve the current conflict.

In arguing the merits of the issue, Columbia relies almost exclusively on the fact that the statute allows for discretion in deciding the amount of statutory damages. *See* Opp. 7-9. Yet as the Fourth and Eighth Circuits have held, that fact is not dispositive of the Seventh Amendment issue, as juries are routinely called upon to exercise discretion in imposing legal remedies, including punitive damages. *See Cass County*, 88 F.3d at 643; *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117, 120-121 (4th Cir. 1981). In fact, as those courts have held, all of the factors this Court has relied on in applying the

Seventh Amendment—historical practice, the nature of the remedy, and the practical abilities of juries—lead to the conclusion that there is a constitutional right to have a jury decide all issues relating to the imposition of statutory damages under the Copyright Act.

But more importantly at this stage of the proceeding, it is clear—and Columbia does not dispute—that the lower courts to have considered the issue all relied on the same factors and precedents to reach starkly opposite conclusions. The conflict is therefore enduring and widespread, and this Court should resolve it now.

3. Columbia also suggests that the Seventh Amendment issue is not presented in this case because precisely the same result would have occurred regardless of whether Feltner was improperly denied his constitutional right to a jury trial. The simple answer to this contention is that neither the District Court nor the Court of Appeals held that the jury trial issue was irrelevant. Rather, both courts expressly considered and ruled upon the issue on the merits. *See* Pet. App. 10a-12a, 24a. The issue, therefore, is properly before this Court. Indeed, it is interesting that Columbia—after strenuously opposing Feltner's demand for a jury below—now asserts to this Court that the issue has no bearing on the case.

Contrary to Columbia's assertions, the courts below did not rule upon the questions of willfulness and the amount of statutory damages as a matter of law. Columbia did not even move for summary judgment on either of those issues, and the District Court rendered its findings on them only after a full bench trial. Thus, on the issue of willfulness, the Court of Appeals held only that “we cannot say that the district court's finding was clearly erroneous,” Pet. App. 13a—precisely the standard used to review contested findings of *fact*, not determinations of law.

Columbia speculates that, if Feltner's request for a jury had not been denied, Columbia would have been granted a directed verdict on the issue of willfulness. *See* Opp. 16. This speculation is groundless. Whether an infringement was

willful is a question of fact. *See, e.g., Lipton v. The Nature Co.*, 71 F.3d 464, 472 (2d Cir. 1995); *Video Views*, 925 F.2d at 1021 ("The determination whether a particular infringer acted willfully is left to the trier of fact * * *"). Particularly given that Columbia—well-represented throughout these proceedings—never asked for (let alone received) judgment as a matter of law on that issue, such unfounded speculation can hardly prevent the Court from reaching the Seventh Amendment issue that both the District Court and the Court of Appeals recognized they had to decide below.

At trial, Feltner presented testimony that he believed reasonably and in good faith that the station's licenses had not been validly terminated, and that Columbia was continuing to negotiate over their terms. This belief was based on, among other things, Feltner's extensive experience in the industry that license termination notices of the type sent by Columbia were simply collection tactics, Columbia's continued negotiations, continued sales calls, and extension of contracts following such notices, and Feltner's defenses and counterclaims alleging that no infringement had occurred. *See, e.g., Tr. at 80-84, 86-88, 91, 95, 121, 123, 126, 199-201, 219, 233-234.* Although the District Court believed the evidence at trial supported a finding of willfulness, there is no basis on this record for presuming that the District Court would have prevented a jury from hearing that evidence, or that a jury would have seen that evidence precisely the same way. The possibility that judges and juries might reach different results on the evidence presented is of course one reason the Seventh Amendment protects the right to trial by jury.

There is likewise no question that issues relating to the amount of statutory damages were not decided in this case as a matter of law. Given the discretion that the finder of fact exercises in determining the amount of such damages, it is simply impossible for that question to be determined as a matter of law where, as here, the plaintiff seeks more than the minimum amount. *See, e.g., Fitzgerald Pub. Co. v. Baylor Pub. Co.*, 807 F.2d 1110, 1117 (2d Cir. 1986) (factors bearing on the amount of statutory damages include the

amount lost by the owner, the profit earned by the infringer, whether the infringer acted willfully, and deterrent effect). In addition to contesting willfulness, Feltner presented other evidence bearing on the proper amount, including evidence that the stations actually *lost* money by airing the television shows in question and that Columbia was unable to relicense them in the same markets.³ Contrary to Columbia's contention that Feltner submitted "no admissible evidence" on these issues, *Opp. 18 n.16*, none of the testimony on these points was deemed inadmissible by the District Court. *See Tr. at 84, 89-90, 127, 130-131, 186, 222.*⁴

³ Moreover, if this case were tried to a jury, that jury would plainly find it relevant that Columbia, in bankruptcy proceedings involving the stations controlled by Feltner, recovered the full amount owed under the license agreements at issue—more than \$3,000,000—plus nearly \$500,000 in copyright claims against the stations. *See Disbursing Agent's Amended Report of Distribution, Krypton Broadcasting of Jacksonville, Inc.*, Nos. 93-31536-BKC-RAM and 93-31533-BKC-RAM (Bankr. S.D. Fla. filed Jan. 24, 1996). Thus, the jury could reasonably conclude that anything more than the minimum amount of statutory damages in this case would be an undeserved windfall for Columbia.

⁴ As for the issues relating to the number of infringements, it likewise appears that the Court of Appeals considered them to be questions of fact. The District Court, in its judgment after trial, made findings that "each episode constitutes a separate work for purposes of computing statutory copyright damages" and that the same episodes broadcast by different stations controlled by Feltner were separate acts of infringement. *Pet. App. 22a.* As to the latter finding, the Court of Appeals held that Feltner had "failed to demonstrate that the finding was erroneous," *id.* at 15a, rejecting Feltner's contention that a contrary finding should have followed from admissions made by Columbia in its complaint. And as to the finding that each episode was a separate work, the Court of Appeals stated the legal standard as whether each episode "'has an independent economic value'" and could "'live [its] own copyright life.'" *Pet. App. 16a* (citations omitted). The court then affirmed the District Court's findings on these questions, holding that the "evidence support[ed]" the District Court's conclusions. *Pet. App. 17a.* In *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106 (1st Cir. 1993), relied on by the Court of Appeals for the legal standard governing this issue (*see Pet. App. 16a*), the First Circuit explained that whether a television episode was a

4. Finally, Columbia asserts without any support that resolution of the Seventh Amendment issue "would have a negligible impact on future cases * * * ." Opp. 1. That is simply not so. As shown in our petition, the question arises repeatedly, it has been recognized as important by courts and commentators, and the lower courts have already applied their conflicting Copyright Act holdings to other statutes containing similar provisions. See Pet. 19-20. This Court has explained in rule (S. Ct. Rule 10(a)) and precedent (*Braxton v. United States*, 500 U.S. 344, 347 (1991)) that the principal purpose of this Court's certiorari jurisdiction is to resolve circuit conflicts. Here the circuit courts themselves have expressly acknowledged the sharp conflict on the question presented, as have the district courts and commentators. See Pet. 14-16. The need to resolve the conflict is heightened by the fact that it involves one of the basic protections of the Bill of Rights, and arises from a routinely-invoked federal statute in an area of exclusive federal jurisdiction. The constitutional question is one of fundamental and widespread importance. It should be decided by this Court.

single work was a "mixed question of law and fact" because the district court in that case had applied the wrong legal standard. 11 F.3d at 1115-16. In this case, the District Court applied the correct legal standard, and its decision on that issue was therefore a pure factual question that should have been decided by a jury.

CONCLUSION

For the foregoing reasons, and the reasons set forth in the petition, the petition should be granted.

Respectfully submitted,

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Supreme Court, U.S.

FILED

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JOINT APPENDIX

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CERTIORARI GRANTED SEPTEMBER 29, 1997

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JOINT APPENDIX

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 91-CV-6847

COLUMBIA PICTURES TELEVISION, INC.,
Plaintiff,

v.

KRYPTON BROADCASTING OF BIRMINGHAM, INC., *et al.*,
Defendants.

DOCKET ENTRIES

DATE	NR.	PROCEEDINGS
12/17/91	1	Complt. Issd sms. DEMAND FOR J/T
1/14/92	6	FIRST AMENDED COMPLT. pltf Columbia Pictures Television issd sumns on first A/C
2/10/92	13	Note of motn and motn to dismiss for lack of personal jurisdiction; retnb on 3/2/92, at 10:00 am. defts
2/24/92	20	Opp to motn to dismiss for lack of personal jurisdiction & improper venue. pltf
3/2/92	36	Reply brief to pltf's opp to motn to dismiss for lack of personal jurisdiction. defts
3/9/92	39	Mot defts to dismiss for lack of personal jurisdiction is DENIED. Deft to ans w/in 20 days. MO (Mary Tucker)

DATE	NR.	PROCEEDINGS
3/10/92	40	ORD defts' mots be DENIED. Crt permitted WTWV Inc & Bono Equity to join in these actns. Crt DENIES defts' mot to dismiss.
3/30/92	42	ANSWER TO complt & COUNTER-CLAIMS. defts Krypton Broadcasting of Birmingham Inc; Krypton International Corp, Krypton Broadcasting of Jacksonville, Inc., a Delaware corp., Krypton Broadcasting of Fort Pierce, Inc., a Delaware corp & Krypton Broadcasting Corp, a Delaware corp.
3/30/92	43	ANSWER to complt & COUNTER-CLAIMS. defts C. Elvin Feltner Jr. (Feltner), Daniel S Dayton (Dayton) & Alfred F. Decuir (Decuir).
3/30/92	44	ANSWER to complt. deft WABM Birmingham, Krypton Broadcasting Inc WNFT-TV, Krypton Broadcasting of Jacksonville, Inc., a Florida corp., Krypton Broadcasting of Fort Pierce, Inc., a Florida corp., WTWV, Inc., & WTVX.
3/31/92	45	ANSWER to FIRST A/C. deft Bono Equity Corp.
3/31/92	46	ANSWER to FIRST A/C. deft WTWV Inc.
4/28/92	47	Reply to cntclms of dft Krypton Broadcasting of Birmingham, Inc., etc.
12/1/92	58	Note of mot & mot for summary adjudctn. Retnbl 12-28-92, 10:00 am pltf LODGED stmnt & ord (Fw'd to CRD)

DATE	NR.	PROCEEDINGS
12/1/92	59	Memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	60	Declar of John Darakjy in suppt of mot for summary adjudctn. pltf
12/1/92	61	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf
12/1/92	62	Declar of Constance L Thomas in suppt of mot for summary adjudctn. pltf
12/1/92	63	Declar of Gregory K Boone in suppt of mot for summary adjudctn. pltf
12/1/92	64	Declar of Elise Keen in suppt of mot for summary adjudctn. pltf
12/1/92	65	Note of mot & mot for summary adjudctn, Retnbl 12-28-92, 10:00am. pltf LODGED stmnt & ord (Fw'd to CRD)
12/1/92	66	memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	67	Declar of Constance L Thomas in suppt of mot for summary adjudctn. pltf
12/1/92	68	Declar of Gregory K Boone in suppt of mot for summary adjudctn. pltf
12/1/92	69	Declar of John Darakjy in suppt of mot for summary adjudctn. pltf
12/1/92	70	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf
12/1/92	71	Declar of Elise Keen in suppt of mot for summary adjudctn. pltf

DATE	NR.	PROCEEDINGS
12/1/92	72	Note of mot & mot for summary adjudctn, Retnbl 12-28-92, 10:00am pltf
12/1/92	73	Memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	74	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf
12/1/92	75	Declar of John Darakjy in suppt of mot for summary adjudctn. pltf
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12/1/92	79	Note of mot & mot for summary adjudctn. Retnbl 12-28-92, 10:00am pltf LODGED strtmt & ord (Fw'd to CRD)
12/1/92	80	Memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	81	Declar of John Darakjy in suppt of mot for summary adjudctn. pltf
12/1/92	82	Declar of Constance L Thomas in suppt of mot for summary adjudctn. pltf
12/1/92	83	Declar of Elise Keen in suppt of mot for summary adjudctn. pltf
12/1/92	84	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf

DATE	NR.	PROCEEDINGS
12/1/92	85	Note of mot & mot for summary adjudctn, Retnbl 12-28-92, 10:00am.
12/1/92	86	Memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	87	Declar of John Darakjy in support of mot for summary adjudctn. pltf
12/1/92	88	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf
12/1/92	89	Declar of Elise Keen in suppt of mot for summary adjudctn. pltf
12/1/92	90	Note of mot & mot for summary adjudctn, Retnbl 2-28-92, 10:00am. pltf LODGED strtmt & ord (Fw'd to CRD)
12/1/92	91	Memo of p&a in suppt of mot for summary adjudctn. pltf
12/1/92	92	Declar of Gregory K Boone in supp of mot for summary adjudctn. pltf
12/1/92	93	Declar of Elise Keen in suppt of mot for summary adjudctn. pltf
12/1/92	94	Declar of Henry J Tashman in suppt of mot for summary adjudctn. pltf
12/1/92	95	Declar of Constance L Thomas in supp of mot for summary adjudctn. pltf
12/11/92	101	Note of lodging depo transcripts of C. Elvin Feltner, Jr. pla Columbia Pictures LODGED DEPO
12/14/92	110	Strmt of genuine issues of C. Elvin Feltner, Jr., dfts

DATE	NR.	PROCEEDINGS
12/14/92	111	Stmnt of genuine issues of dfts Krypton Broadcasting of Birmingham, Inc., Krypton Broadcasting of Jacksonville, Inc., & Krypton Broadcasting of Fort Pierce, inc., dfts
12/14/92	112	Opp of dfts Krypton Broadcasting of Birmingham, Inc., Krypton Broadcasting of Fort Pierce, Inc. & Krypton Broadcasting of Jacksonville, Inc. to pla's motns for S/J. dfts
12/14/92	113	Opp of dft C.E. Feltner, Jr. to pla's motn for S/A re: liability for cpyright infringement. dfts
12/14/92	114	Obj's to & reqst to strike decl's submitted in supp of pla's motn for S/A against C. Elvin Feltner. dfts
12/14/92	115	Ob's to & reqst to strike decl's submitted in supp of pla's motns for S/A against Krypton dfts. dfts
12/14/92	116	Decl of Mark S. Lee in opp to motns for S/J. dfts
12/14/92	117	Decl of Shari Mulrooney Wollman in supp of opp's of dfts C. Elvin Feltner, Jr., & Krypton Broadcasting of Jacksonville, Krypton Broadcasting of Fort Pierce & Krypton Broadcasting of Birmingham to Pla's motns for S/J. dfts
12/18/92	119	Note of flng of original decl's of Daniel S. Dayton & Alfred F. Decuir in supp of dfts opp's to S/A. dfts

DATE	NR.	PROCEEDINGS
12/15/92	123	Decl of Daniel S. Dayton ins supp of opp's of dfts C. Elvin Feltner, Jr., & Krypton Broadcasting of Jacksonville, Krypton Broadcasting of Fort Pierce & Krypton Broadcasting of Birmingham to pla's motns for S/J. dft's
12/15/92	124	NoTc of doc discrepancies; decl of Alfred F. Decuir etc; fax signature of Alfred F. Decuir; the doc is to be fld & processed.
12/15/92	125	Decl of Alfred F. Decuir in supp of opp's of dfts C. Elvin Feltner, Jr., & Krypton Broadcasting of Jacksonville, Krypton Broadcasting of Fort Pierce & Krypton Broadcasting of Birmingham to pla's motns for S/J. dft's
12/21/92	130	Reply memo in supp of pla's motn for S/A re: liability for copyright infringement against dft C. Elvin Feltner, Jr. pla
8/9/93	177	M.O. Mot dft's to withdraw as cnsl of record; The crt having read & considered all pleadings submitted & having heard stmnt of cnsl, mot dft is granted as to each named dft. cnsl is given 30 days in which to fl subst or seek addtl ti to do so. If subst or req for addtl ti is not fld by the ti period indicated, pleadings may be stricken & default entered. c/r Mary Tucker
9/17/93	186	Pre-Trial conf stmnt re status of docs required by L.R. 9 & procedural status of this case fld in lieu of pre-trial ocnf ord. pla

DATE	NR.	PROCEEDINGS
9/28/93	198	ORD tht pla Columbia Pictures Television, Inc. is entitled to entry of an interlocutory judgment in its favor finding tht dft C. Elvin Feltner, Jr., is liable, under the doctrines of vicarious copyright infringement & contributory copyright infringement, for six hundred sixty four (664) separate infringement of Columbia's copyrighted works Who's The Boss?, Silver Spoons, Hart To Hart, T.J. Hooker on the dts set forth in Columbia's prop stmt of undisputed facts. The amount of damages with respect to the aforesaid infringements shall be determined at trial. Fur ORD tht the clerk of the crt shall srv, by U.S. mail copies of this ord on cnsl for the parties in this matter.
9/27/93	199	M.O. Motn pla for S/A re liability for copyright infringement against dft C. Elvin Fletcher, Jr. The court having read & considered all pleadings submitted & having heard stmt of cnsl, mot pla is granted for reasons staid by the crt & reflected on the court reporter's notes. c/r Madga Flores
11/1/93	204	Decl of Tashman in suppt of mtn in limine to excl evidence. pla
11/1/93	205	MEmo of P&A in suppt of/mtn in limine. pla
11/1/93	206	Ntc ofmtn & mtn in limine to exclude evidence rtnbl 11/22/93 at 10:00. pla LODGED PROP ORD (FWD TO CRD)

DATE	NR.	PROCEEDINGS
11/1/93	207	Decl of Henry J Tashman in suppt of election of statutory damages & mtn in limine. pla
11/1/93	208	Memo of P&A in suppt of election of statutory damages. pla
11/1/93	209	Ntc of election & of mtn for election of statutory damages & mtn in limine to confirm bench trial. pla LODGED PROP ORD (FWD TO CRD)
11/15/93	213	Receipt for reporter's transcript; dt of hrng 9/27/93, dt fld 11/15/93, repo Magda Flores
11/29/93	221	Memo of P&A in suppt of opp to mtn in limine. dfts
11/29/93	222	Opp to mtn in limine. dfts
11/29/93	223	Memo of P&A in suppt of opp to mtn in limine. dfts
11/29/93	224	Opp to mtn in limine & to confirm bench trial. dfts LODGED PROP ORD (FWD TO CRD)
11/30/93	225	Notc of non-opp to pla's mot in limine to exclude evidence of dft Feltner's reliance on advice or consultation with cnsl re broadcast of pla's copyrighted programs. dft's Krypton Int.
12/6/93	226	Reply to dft's opp to pla's mot to confirm bench trial. pla
12/10/93	227	NOTICE OF MOTION AND MOTION by plaintiff Columbia Pictures, counter-

DATE	NR.	PROCEEDINGS
		defendant Columbia Pictures for reconsideration, for partial summary judgment; motion hearing set for 10:00 1/3/94 (bp) [Entry date 01/27/94]
12/13/93	228	M.O. Court having read & considered all pleadings submitted & having heard stmt of cnsl, mot pla in limine to exclude consideration of dft's counterclaims & mot to confirm bench trial is granted. Pla's cnsl is given permission to fl mot to dismiss or mot for partial S/J. c/r Mary Tucker
12/20/93	229	NOTICE OF MOTION AND MOTION by plaintiff Columbia Pictures, counter-defendant Columbia Pictures for judgment on the pleadings, to dismiss for lack of subject matter jurisdictions, for summary adjudication dismissing cntr-clms; motion hearing set for 10:00 1/10/94 (bp) [Entry date 01/27/94]
1/4/94	241	RESPONSE to dft's ex parte appl to continue hrng on pla's mot for jgm on the pleadings; or, alt, dismissal for lack of subject matter jurisdiction; or, alt; S/A dismissing dft Krypton Intl's cntr-clms; decl's of Henry J. Tashman & Adam M. Raichel by plaintiff Columbia Pictures, counter-defendant Columbia Pictures (bp) [Entry date 01/27/94]
1/7/94	245	Statement of genuine issues of material fact in OPPOSITION by defendant C. Elvin Feltner Jr, defendant Daniel S Dayton, defendant Alfred F Decuir motion for judgment on the pleadings [229-1], motion

DATE	NR.	PROCEEDINGS
		to dismiss for lack of subject matter jurisdictions [229-2], motion for summary adjudication dismissing cntr-clms [229-3], motion for reconsideration [227-1], motion for partial summary judgment [227-2] (bp) [Entry date 01/27/94]
1/7/94	246	COUNTERSTATEMENT of material facts by defendant C Elvin Feltner Jr, defendant Daniel S Dayton, defendant Alfred F Decuir in support of [245-1] (bp) [Entry date 01/27/94]
1/13/94	247	REPLY to dft's opp to pla's mot by plaintiff Columbia Pictures, counter-defendant Columbia Pictures re [245-1] (bp) [Entry date 01/27/94]
1/13/94	248	DECLARATION of Henry J. Tashman in supp of pla's reply to dft's opp to pla's mot by plaintiff Columbia Pictures, counter-defendant Columbia Pictures re [247-1] (bp) [Entry date 01/27/94]
1/14/94	249	ORDER tht the dft's opp to pla's mot for jgm on the pleadings; or alt; dismissal for lack of subject matter jurisdiction; or alt, S/A; dismissing dft Krypton Int's cntr-clms be fld & considered in this matter & tht they be relieved of their dflt in the failure to timely fl their opp to pla's said mot by Judge Edward Rafeedie granting application [244-1] (bp) [Entry date 01/27/94]
1/14/94	250	NOTICE OF MOTION AND MOTION by defendant C Elvin Feltner Jr, defendant

DATE	NR.	PROCEEDINGS
		Daniel S Dayton, defendant Alfred F Decuir for leave to fl out of ti dft's mot to vacate ord granting partial sumjgm dtd 9/28/94; motion hearing set for 10:00 2/7/94 (bp) [Entry date 01/27/94]
1/14/94	251	OPPOSITION to pla's motions for by defendant C Elvin Feltner Jr, defendant Daniel S Dayton, defendant Alfred F Decuir motion for judgment on the pleadings [229-1], motion to dismiss for lack of subject matter jurisdictions [229-2], motion for summary adjudication dismissing cntr-clms [229-3], motion for reconsideration [227-1], motion for partial summary judgment [227-2] (bp) [Entry date 01/27/94]
1/14/94	254	MINUTES: The crt having read & considered all pleadings submitted & having heard stmt of cnsl, mot pla for judgment on the pleadings; or in the alt dismissal for lack of subject matter jurisdiction for S/A, It is hereby ord the cntclms of Krypton Intl are dismissed for reasons stated by the crt & reflected on the crt reporter's note. that the motion for judgment on the pleadings [229-1] is submitted, that the motion to dismiss for lack of subject matter jurisdictions [229-2] is submitted, granting motion for summary adjudication dismissing cntr-clms [229-3] by Judge Edward Rafeedie CR: Mary Tucker (cc: all counsel) (bp) [Entry date 02/08/94]
1/24/94	252	OPPOSITION to dft's mot for leave by plaintiff Columbia Pictures, counter-

DATE	NR.	PROCEEDINGS
		defendant Columbia Pictures motion for leave to fl out of ti dft's mot to vacate ord granting partial sumjgm dtd 9/28/94 [250-1] (bp) [Entry date 01/27/94]
1/27/94	255	SECOND MEMORANDUM of contentions fo fact & law by plaintiff Columbia Pictures (bp) [Entry date 02/08/94]
1/31/94	253	REPLY to pla's opp to df's mot for leave to fl dft's mot to vacate ord granting sumjgm dtd 9/28/93, & to dismiss, or in the alt, for sumjgm. by defendant Krypton Intl Corp, defendant C Elvin Feltner Jr, defendant Daniel S Dayton, defendant Alfred F Decuir re [252-1] (bp) [Entry date 02/08/94]
3/11/94	276	TRIAL BRIEF FILED by plaintiff Columbia Pictures (bp) [Entry date 03/15/94]
3/15/94	281	MINUTES: ;1st day trial held Opening stmt's made by each side. Witnesses called, sworn & testified. Exhibits identified. exhibits admitted. Case continued to 3/16/94, at 9:00 am for further trial by Judge Edward Rafeedie C/R Mary Tucker Cnsl stip to the dismissal of Krypton Broadcasting with prejudice. Trial to proceed against dft Elvin Feltner. The remaining dft's are in bankruptcy proceedings. (bp) [Entry date 03/18/94]
3/16/94	283	MINUTES: 2nd day crt trial. Witnesses called, sworn & testified. Exhibits admitted. Pla rests. Dft rests. Closing

DATE	NR.	PROCEEDINGS
		arguments made by each side. Filed witness & exhibit list filed stipulation of cnsl re exhibits. Matter stands submitted. Pla's cnsl shall submit within five days closing argument brief re issues stated by crt to be addressed in the pleading. cnsl for the dft shall respond five days thereafter. by Judge Edward Rafeedie CR: Mary Tucker (bp) [Entry date 03/18/94]
3/23/94	288	REMARK; Written closing argument submitted by Columbia Pictures Television, Inc. (bp) [Entry date 03/28/94]
3/30/94	289	POST-TRIAL MEMORANDUM by defendant C Elvin Feltner Jr (bp) [Entry date 04/04/94]
4/4/94	293	JUDGMENT AND ORDER: by Judge Edward Rafeedie against defendant C Elvin Feltner Jr. terminating case Crt therefore award pla \$20,000 for each work infringed for a total amount of \$8,800.00 and atty fees & cost (ENT 4-6-94) Mld cpys & Ntc MD JS 6 (cc: all counsel) (sb) [Entry date 04/07/94]
5/19/94	318	JUDGMENT AND ORDER: by Judge Edward Rafeedie Tht pla Columbia Pictures Television recover of the defendant C Elvin Feltner Jr. terminating case In the amount of \$8,800,000, Interest at : 5.02 percent as provided by law, & its costs of action in the amount of \$30,646.47 & attorneys fees in the amount of \$722,621.00, plus interest on those two amounts frm the dt of this jgm at the

DATE	NR.	PROCEEDINGS
		aforesaid rate. (ENT 5/27/94) MD JS-6 mld cpys counsel) (bp) [Entry date 05/27/94]
5/31/94	321	NOTICE OF APPEAL by defendant to 9th C/A from Dist. Court jgm & ord ent 4/6/94. (cc: Richard Chaifetz; William H. Shibley; Davis, Wright & Tremaine) Fee: Paid. (fvap) [Entry date 06/01/94]
6/24/94	324	NOTICE OF APPEAL by defendant, C. Elvin Feltner, Jr., to 9th C/A from Dist. Court jgm ent 5/27/94. (cc: Richard I. Chaifetz; William H. Shibley; Davis, Wright & Tremaine) Fee: Paid. (pjap)
3/4/97	--	LODGED cc 9th Cir ord: Apps Nos. 94-55816 and 94-55894 hereby are affirmed, vacated and remanded (FWD TO CRD) (pjap) [Entry date 03/11/97]
4/3/97	377	CERTIFIED COPY of Appellate Court Order: affirming the decision of the District Court [321-1] except award of atty fees to Columbia; USCA Vacates fee award and Remand the matter on limited basis so USDC may provide reasoned explanation of amt of fees award; USCA retains juris over appeal during pendency of limited remand and USDC shl fwd copy of ord award fees w/i 60 days of iss of remand (ENT 4/17/97) mld cpys ptys (lc) [Entry date 04/17/97]

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Nos. 94-55816 & 94-56323

COLUMBIA PICTURES TELEVISION,
Plaintiff-Appellee,
v.

KRYPTON BROADCASTING OF BIRMINGHAM, INC., *et al.,*
Defendants,

and

C. ELVIN FELTNER, JR.,
Defendant-Appellant.

DOCKET ENTRIES

DATE	PROCEEDINGS
9/15/94	Received Aplt's brief in 15 copies 35 pages, 5 Exc. Rec.; (Informal: n) deficient (mtn to consolidate-confatt) Served on 9/14/94 [94-55816, 94-55894] (gva) [94-55816 94-55894]
11/4/94	Received orig. 15 copies Columbia Pictures TV in 94-55816, Columbia Pictures TV in 94-55894's brief of 35 pages; and 5 suppl exc of record served on 10/31/94 deficient: (aplt's brief not yet filed, and mot to cons has not yet been ruled on) [94-55816, 94-55894] (tsp) [94-55816 94-55894]

DATE	PROCEEDINGS
11/30/94	Received original and 15 copies Aplt's reply brief (Informal: n) 16 pages; served on 11/29/94 deficient: (Aple's brief not filed; mtn to cons. pending in addition is oversized & late). [94-55816, 94-55894] (gva) [94-55816 94-55894]
1/27/95	Filed original and 15 copies Aplt's opening brief (Informal: n) 35 pages and 5 Exc. Rec.; served on 9/14/94 (per 1/27/95 order) [94-55816, 94-55894] (gva) [94-55816 94-55894]
1/27/95	Filed original and 15 copies Aple's brief, 35 pages, 5 Supplemental Exc. Rec.; served on 10/31/94 minor defcy: (Statement of Related Cases is required) Notified csl. Minor brief deficiency response due 2/10/95 (per 1/27/95 order) (gva) [94-55816 94-55894]
1/27/95	Filed original and 15 copies Aplt's reply brief, (Informal: n) 16 pages; served on 11/29/94 (per 1/27/94 order) [94-55816, 94-55894] (gva) [94-55816 94-55894]
3/6/95	FILED AS OF 10/6/94, CERTIFIED TRANSCRIPTS OF RECORD ON APPEAL IN 2 VOLS. (TOTAL) 2 RTS (ORIG) [94-55894, 94-55816] [94-55894, 94-55816] (rc) [94-55816 94-55894]
11/15/95	ARGUED AND SUBMITTED TO Jerome FARRIS, Melvin BRUNETTI, Alex KOZINSKI [94-55816, 94-55894] (rmw) [94-55816 94-55894]
2/6/97	FILED OPINION: AFFIRMED IN PART, REVERSED IN PART, AND REMANDED

DATE	PROCEEDINGS
	(Terminated on the Merits after Oral Hearing; Affirmed (in part) and Reversed (in part); Written, Signed, Published. Jerome FARRIS; Melvin BRUNETTI, author; Alex KOZINSKI.) FILED AND ENTERED JUDGMENT. [94-55816, 94-55894] (mhf) [94-55816 94-55894]
5/12/97	Received notice from Supreme Court: petition for certiorari Supreme Court No. 96-1768 filed on 5/6/97. [94-55816, 94-55894] (mhf) [94-55816 94-55894]
10/6/97	Filed Supreme Court order (SC Date: 9/29/97) The pet for a writ of cert is GRANTED. In addition to the questions presented by the pet, the ptys are requested to brf & argue the following question: "Whether 17 USC Section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement." The brf of pet is to be filed w/the clk & served upon opposing csl on or bef 3 p.m., Thursday, 11/13/97. The brf of respondent is to be filed w/the clk & served upon opposing csl on or bef 3 p.m. Monday, 12/15/97. A rpy brf, if any is to be filed w/the clk & served upon opposing csl on or bef 3 p.m., Monday, 1/5/98. Rule 29.2 does not apply. (refer to PANEL) [94-55816, 94-55894] (mhf) [94-55816 94-55894]

[September 29, 1997]

IN THE
Supreme Court of the United States
 OCTOBER TERM, 1997

No. 96-1768

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

ORDER

The petition for a writ of certiorari is granted. In addition to the questions presented by the petition, the parties are requested to brief and argue the following question: "Whether 17 U.S.C. Section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement." The brief of petitioner is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Thursday, November 13, 1997. The brief of respondent is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Monday, December 15, 1997. A reply brief, if any, is to be filed with the Clerk and served upon opposing counsel on or before 3 p.m., Monday, January 5, 1998. Rule 29.2 does not apply.

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Supreme Court, U. S.

FILED

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CLERK

No. 96-1768

IN THE
Supreme Court of the United States
OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

BRIEF FOR PETITIONER

JOHN G. ROBERTS, JR.*
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Counsel for Petitioner

5688

QUESTIONS PRESENTED

1. Whether 17 U.S.C. § 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement.
2. Whether the Seventh Amendment to the United States Constitution guarantees the right to a jury trial in actions for statutory damages for copyright infringement under 17 U.S.C. § 504(c).

PARTIES TO THE PROCEEDINGS

C. Elvin Feltner, Jr. was defendant-appellant below and is the petitioner in this Court.

Krypton Broadcasting of Birmingham, Inc., Krypton Broadcasting, Inc., Krypton International Corporation, Krypton Broadcasting of Ft. Pierce, Inc., Krypton Broadcasting of Jacksonville, Inc., North Florida 47, Inc., WTVV, Inc., Daniel S. Dayton, and Alfred F. DeCuir were defendants below. Krypton International Corporation was also an appellant below on issues unrelated to the question presented here. Pet. App. 2a n.2.

Columbia Pictures Television, Inc. was the plaintiff-appellee below and is the respondent in this Court.

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1997

No. 96-1768

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

On Writ of Certiorari to the
 United States Court of Appeals
 for the Ninth Circuit

BRIEF FOR PETITIONER

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 106 F.3d 284 and reprinted at Pet. App. 1a. The order of the District Court awarding judgment to respondent is unreported and is reprinted at Pet. App. 21a. The order of the District Court denying petitioner's motion for a jury trial was rendered orally; the docket entry evidencing that ruling is reprinted at Pet. App. 24a. The order of the District Court granting summary judgment in favor of respondent on the question of liability is unreported and is reprinted at Pet. App. 25a.

JURISDICTION

The judgment of the Court of Appeals was entered on February 6, 1997. Pet. App. 1a. The petition for certiorari

was filed on May 6, 1997, and was granted on September 29, 1997. J.A. 19. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Seventh Amendment to the United States Constitution provides:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Section 504(c) of Title 17, U.S.C., provides, in pertinent part:

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than \$500 or more than \$20,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware of and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than \$200.

STATEMENT OF THE CASE

Petitioner C. Elvin Feltner, Jr. ("Feltner") owns Krypton International Corporation ("Krypton"), which in 1990 acquired three television stations in the southeastern United States. Respondent Columbia Pictures Television, Inc. ("Columbia") had licensed several television shows to the stations. Prior to Krypton's acquisition of the stations, Krypton and Columbia entered into discussions about restructuring the licensing arrangements, and protracted negotiations over such a restructuring continued from March 1990 until December 1991. During the course of those negotiations Columbia purported to terminate the licensing agreements, and filed suit when the stations—relying on the ongoing negotiations—continued to broadcast the programs. Columbia initially sued Feltner, Krypton, various Krypton subsidiaries, and certain Krypton officers under a variety of theories, but during the course of the litigation dropped all claims except its copyright infringement claims against Feltner. Pet. App. 2a.

The District Court entered summary judgment on liability in favor of Columbia on these claims, finding Feltner liable for copyright infringement arising from the television stations' airing of various episodes from four shows—"Who's The Boss?," "Silver Spoons," "Hart to Hart," and "T.J. Hooker." *Id.* 25a, 26a. Columbia thereupon exercised the option afforded by Section 504(c)(1) of the Copyright Act of 1976, 17 U.S.C. § 504(c)(1), and elected statutory damages in lieu of actual damages.

Under that provision, a "copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages * * * of not less than \$500 or more than \$20,000 as the court considers just." 17 U.S.C. § 504(c)(1). Section 504(c)(2) goes on to provide that "where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages" to not more than \$100,000, while "where the infringer sustains the burden of

proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages" to not less than \$200. *Id.* § 504(c)(2).

Feltner demanded a jury trial on the various issues pertinent to the assessment of damages under Section 504(c), and Columbia filed a motion *in limine* requesting that the trial judge reject Feltner's demand. R. 209. Feltner opposed that motion, arguing that he was entitled to a jury trial on the issue of statutory damages both as a matter of statutory interpretation and as a matter of constitutional right under the Seventh Amendment. R. 224. Over Feltner's objection, the District Court on December 13, 1993 granted Columbia's motion for a bench trial on the various issues pertinent to an assessment of statutory damages under Section 504(c). Pet. App. 24a.

The District Court then held a two-day bench trial at which it heard testimony from nine witnesses and considered evidence on the issues of willfulness, innocent infringement, value of the works in question, any profits gained by Feltner, and other facts pertinent to assessing damages under Section 504(c). R. 281, 283. After trial, "considering the evidence presented in Court," Pet. App. 21a, the trial judge issued an Order containing several findings. The judge first found that each episode of each television series constituted a separate work, rejecting Feltner's argument that each series was in fact a compilation of episodes and thus only one work. *See* 17 U.S.C. § 504(c)(1) ("For purposes of this subsection, all the parts of a compilation or derivative work constitute one work."). The judge further found that the airing of the same episode by different stations controlled by Feltner constituted separate violations, concluding that there had been a total of 440 acts of infringement. Pet. App. 21a-22a.

Given these findings, Feltner's potential liability to Columbia for statutory damages ranged from \$88,000 to \$8,800,000 in the event his infringement was found to be innocent under Section 504(c)(2), \$220,000 to \$8,800,000 if the infringe-

ment was found to be neither innocent nor willful, and \$220,000 to \$44,000,000 if it was found to be willful. The trial judge concluded that Feltner had not established that his infringement was innocent and instead that Columbia had carried its burden of proving that the infringement was willful. Pet. App. 22a-23a. Specifically noting that "[w]ith a finding of willfulness, the range of statutory damages to be awarded is from \$500 to \$100,000," the trial judge fixed the statutory damages at \$20,000 per violation, with no explanation of the reasoning for the amount chosen. *Id.* 23a. Accordingly, the District Court awarded Columbia \$8,800,000 in damages, plus attorneys' fees. *Id.*

On appeal, Feltner renewed his argument that he was entitled to trial by jury on the statutory damages issues, both as a matter of statutory interpretation and under the Seventh Amendment. *Id.* 11a. The Court of Appeals rejected both arguments. First, relying on *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977), it held that Congress did not intend for a jury to play any role in the assessment of statutory damages under Section 504(c). Pet. App. 11a-12a. The court then turned to Feltner's constitutional argument, concluding that the "Seventh Amendment does not provide a right to a jury trial on the issue of statutory damages because an award of such damages is equitable in nature." *Id.* 12a. The court noted but declined to follow authority holding that the Seventh Amendment guarantees the right to have a jury assess statutory damages in copyright cases, *see id.* (citing *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996); *Gnosso Music v. Mitken, Inc.*, 653 F.2d 117 (4th Cir. 1981)), or the right to have a jury determine the issue of willfulness, *see id.* (citing *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010 (7th Cir.), *cert. denied*, 502 U.S. 861 (1991)).

The Ninth Circuit then went on to consider the District Court's findings with respect to willfulness and innocent infringement under Section 504(c)(2), noting that such findings were reviewed only for "clear error" under Fed. R. Civ. P. 52(a). Pet. App. 13a. The court ruled that "Feltner's

arguments, at best, demonstrate that the facts presented to the district court were susceptible to more than one interpretation," and concluded that "we cannot say that the district court's finding was clearly erroneous." *Id.*

With respect to the District Court's "finding" (*id.* 14a) that the broadcasts of the same episodes by different stations controlled by Feltner were separate acts of infringement, subject to separate assessments of statutory damages under Section 504(c), the Court of Appeals concluded that Feltner had "failed to demonstrate that the finding was erroneous." *Id.* 15a (footnote omitted). The Ninth Circuit also upheld the trial judge's finding that each separate episode of each series constituted a separate work for purposes of calculating statutory damages, ruling that the "evidence support[ed]" the District Court's conclusion. *Id.* 17a. Finally, the Court of Appeals rejected Feltner's challenge to the amount of the award, concluding that because willful infringements were involved—"for which the maximum award is \$100,000 per work infringed"—the award of \$20,000 per violation was "well within the statutory limits and * * * not an abuse of discretion." *Id.* 18a.¹

SUMMARY OF ARGUMENT

In this case, a judge assessed damages of \$8,800,000 against Feltner, payable to Columbia in part to compensate it for an appropriation of its intellectual property rights. The award was rendered, moreover, on the basis of the judge's own factual findings concerning Feltner's allegedly "willful" behavior and the number of infringements at issue, with the actual amount of the award selected by the judge from a possible range of between \$800 and \$44,000,000. All of this

¹ Feltner also challenged the District Court's award of attorneys' fees, on the ground that the judge had failed to provide any explanation for his award. The Court of Appeals agreed that this was error, vacated the award of fees, and remanded so that the District Court could provide a reasoned explanation for its award. Pet. App. 19a. The District Court issued an order containing its explanation on April 29, 1997. R. 379.

was done over Feltner's objection that he was entitled to have a jury decide these basic issues affecting his liability for damages. Both the statute itself and the Seventh Amendment prohibit this result.

I. This Court has made clear that it will not address the applicability of the Seventh Amendment to a statutory claim without first determining whether it is "fairly possible" to construe the statute to resolve the jury trial claim. Here, the language and history of Section 504(c) confirm that Congress intended to provide a right to trial by jury under the statute. While the statute refers to the role of "the court" in awarding statutory damages, such references have been understood since at least the time of the Framing to include not only the judge but the jury as well. Indeed, this Court itself has held that a statute providing that "the court" shall award damages established a right to trial by jury. Nor does the statute's reference to "discretion" indicate that Congress intended Section 504(c) proceedings to be equitable in nature. Juries in our court system frequently exercise discretion, particularly in determining damages; a finding that the existence of discretion indicates an intent to foreclose the jury trial right would constitute a novel and unnecessarily crabbed view of the role of the jury. Thus, nothing in the language of Section 504(c) precludes an interpretation affording a jury trial.

The statute's history confirms that such an interpretation was in fact intended by Congress. The remedial scheme reflected in the current statute traces its origins to 1856, when Congress adopted a statute providing damages "as to the court shall appear to be just" for the unauthorized performance of dramatic compositions, recoverable through "an action on the case or other equivalent remedy." By providing for an action on the case—a prototypical action at law—Congress made clear that the statute itself authorized a trial by jury. When Congress enacted a general revision of the copyright laws in 1909, it made a similar remedial scheme available in all copyright actions. Shortly thereafter, the Second Circuit held that the 1909 statute afforded a jury trial for the determination of statutory damages. When Congress

again adopted a similar statutory damages provision in Section 504(c) of the Copyright Act of 1976, it gave no indication that it intended to remove this statutory right.

Accordingly, it is, at a minimum, "fairly possible" to adopt an interpretation of Section 504(c) which confirms the availability of a jury trial. This Court should endorse that interpretation and avoid the constitutional question that would otherwise be presented.

II. Even if the statute did not guarantee a jury in this case, the Seventh Amendment surely does. The right to a jury trial in civil cases was one of the most cherished protections secured in the Bill of Rights, and the Court has accordingly stressed the importance of preserving the right as it existed at common law against any infringement.

A. In this case, unlike others the Court has faced, the Court need not strain to find an ancient writ or cause of action that is more or less analogous to a modern statutory right unknown to 18th century England. To the contrary, statutory damages provisions for copyright infringement are as old as statutory copyright itself. Such provisions were included in the earliest English copyright statute, enacted in 1710; in state copyright statutes, enacted in this country before ratification of the Constitution; and in the first federal copyright statute, enacted one year *before* ratification of the Seventh Amendment. Claims under all of these provisions—including provisions in the state statutes which, like Section 504(c), authorized awards from within a range of amounts—were tried in courts of law, not courts of equity. Accordingly, the Seventh Amendment preserves the right to a jury trial for claims under Section 504(c), the modern day successor to these statutes.

B. This conclusion is confirmed by the nature of the statutory damages remedy. Damages, of course, were the quintessential legal remedy, awarded only in courts of law. Thus, the Court will find an exception to the rule that damages claims must be tried to a jury only where the relief in question has the attributes of historically equitable remedies.

Statutory damages under Section 504(c) do not. Such damages are intended to serve compensatory and punitive purposes—both of which are traditionally legal, not equitable, concerns. Statutory damages under the early English and federal statutes were characterized as penalties or forfeitures, enough standing alone to confirm their classification as legal, not equitable, remedies. These damages were also intended in part to serve as compensation, however, which solidifies their proper categorization as legal relief. The current statutory damages provisions—like their historical analogues—are plainly intended both to compensate copyright holders and to punish and deter infringers. Accordingly, just as actual and punitive damages are unquestionably legal remedies for which a jury is required, so too the Seventh Amendment guarantees the right to a jury in actions seeking statutory damages under Section 504(c).

It is of no moment that one of the factors that may be considered in the assessment of damages under Section 504(c) is the profit earned by an infringer. There is no requirement that an award of statutory damages bear any relation to such profits—the only amount a court of equity was permitted to award—and the award in this case certainly did not. Likewise, statutory damages (unlike equitable remedies) are not awarded only where the plaintiff lacks an adequate remedy at law, but rather are available at the plaintiff's election, for whatever reason. Nor are such damages merely "incidental" to injunctive relief; they are awarded separately under a separate statutory provision.

C. The Seventh Amendment right to a jury trial extends to all issues pertaining to the award of statutory damages in this case—the number of infringements, the question of willfulness or innocence, and the amount of the damages. These are all basic issues affecting liability for damages, and all historically would have been determined by a jury in an action tried in a court of law. The substance of the jury trial right would plainly be lost if it extended only to the question of liability, and left to the judge the findings necessary to fix damages anywhere within the range of \$200 to \$100,000 per

violation. In fact, in copyright and other actions, it has been the traditional role of juries to decide the factual questions of the number of infringements and a defendant's willfulness. Likewise, this Court has held that it is the fundamental role of the jury to determine the amount of damages in actions between private citizens, particularly where, as here, the amount is uncertain and subject to an exercise of discretion.

This case is therefore unlike *Tull v. United States*, 481 U.S. 412 (1987), where the Court carved out a limited exception to this general rule in circumstances involving quasi-criminal penalties payable to the government to enforce and implement a complex regulatory scheme. By contrast, the damages at issue here—payable to a private party in part as compensation for infringement of a property right—have always been within the purview of the jury to determine.

ARGUMENT

I. THE COPYRIGHT ACT GUARANTEES THE RIGHT TO A JURY TRIAL IN ACTIONS TO ASSESS STATUTORY DAMAGES UNDER SECTION 504(c)

As this Court has observed, “[b]efore initiating the inquiry into the applicability of the Seventh Amendment,” it must “first ascertain whether a construction is *fairly possible* by which the [constitutional] question may be avoided.” *Tull v. United States*, 481 U.S. at 417 n.3 (emphasis supplied; internal quotation omitted) (citing *Curtis v. Loether*, 415 U.S. 189, 192 n.6 (1974)). See also *Lorillard v. Pons*, 434 U.S. 575, 577 (1978). Presumably in light of this “cardinal principle,” *Tull*, 481 U.S. at 417 n.3, the Court directed the parties to brief the statutory question in this case. J.A. 19; see also Pet. 7-8 n.3.

As we explain below, a construction of Section 504(c) by which the Seventh Amendment question may be avoided is more than “fairly possible.” Indeed, examination of the text and history of Section 504(c) compels the conclusion that it requires jury determinations of willfulness and statutory damages. By adopting this construction, the Court can

follow the prudent course of resolving the matter without opining on the constitutional question that would otherwise be presented.

Statutory construction begins, of course, with the language of the statute. See *Bailey v. United States*, 116 S. Ct. 501, 506 (1995); *Moskal v. United States*, 498 U.S. 103, 108 (1990). Here, Section 504(c) makes no express reference to jury determinations, but does provide for an award of statutory damages “in a sum of not less than \$500 or more than \$20,000 as the court considers just.” 17 U.S.C. § 504(c)(1). In addition, Section 504(c)(2) provides that “the court in its discretion” may increase the maximum amount to \$100,000 if “the court finds” that the infringer acted willfully, or reduce the minimum to \$200 if “the court finds” that the infringer acted innocently. 17 U.S.C. § 504(c)(2).

Some courts have found that these references to “court” and “discretion” demonstrate a congressional intent that the issues pertinent to an assessment of statutory damages and willfulness be determined by the judge alone. See, e.g., *Sid & Marty Krofft Television*, 562 F.2d at 1177. While it is no doubt true that references to “the court” may be understood in some contexts to include only the judge presiding over a particular proceeding or courtroom, and that judges do exercise discretion on a wide range of tasks, nothing in the language of the statute at issue here compels reading its terms as a congressional command that a judge rather than a jury make the relevant determinations.

First, it is clear—and this Court has recognized—that simple statutory references to “the court” are not necessarily limited to the judge presiding over the courtroom. In common parlance at the time of the adoption of the Copyright Act of 1976, the term “court” meant, among other things, “the persons duly assembled under authority of law for the administration of justice.” *Webster's Third New International Dictionary* 522 (1976). Other standard dictionaries have defined the term to include “an official assembly for the transaction of judicial business,” and “a session of such a court.” *Webster's Ninth New Collegiate Dictionary* 299

(1989). The "persons duly assembled under authority of law for the administration of justice" may of course include both judges and jurors, and the court system regularly "transact[s] * * * judicial business" through both offices.

Indeed, from the time of the debates on the ratification of the Constitution itself, authorities have recognized that references to a "court" are not necessarily limited to the judge but rather may encompass the judge and jury—the universe of decisionmakers in the court system. In answering the objection that references to courts in Article III of the proposed Constitution could be construed as barring juries in civil cases, the Founders expressed the view—later echoed by this Court—that such references should not be understood to refer to the judge to the exclusion of the jury.

No less an authority than John Marshall explained his view during the Virginia debates on ratification as follows:

Does the word *court* only mean the judges? Does not the determination of a jury necessarily lead to the judgment of the court? Is there anything here which gives judges exclusive jurisdiction of matters of fact? What is the object of a jury trial? To inform the court of the facts. When a court has cognizance of facts, does it not follow that they can make inquiry by a jury? It is impossible to be otherwise. [3 *The Debates in the Several State Conventions on the Adoption of the Federal Constitution* 557-558 (J. Elliott ed. 1896) [hereinafter, "*Elliott's Debates*"] (emphasis in original).]

To similar effect is the argument made during the Massachusetts debates by Thomas Dawes:

The word *court* does not, either by a popular or technical construction, exclude the use of a jury to try facts. When people, in common language, talk of a trial at the *Court* of Common Pleas, or the Supreme Judicial *Court*, do they not include all the branches and members of such court—the *jurors*, as well as the judges? They certainly do, whether they mention the jurors expressly or not. [2 *Elliott's Debates, supra*, at 113 (emphasis in original).]

More recently, this Court has declined to hold that statutory references to a "court" necessarily foreclose the use of a jury to make the determinations at issue. In *Curtis v. Loether, supra*, the Court considered whether respondents were entitled to a jury in an action against them under Title VIII of the Civil Rights Act of 1968. The statute provided that "[t]he court may grant as relief, as it deems appropriate, any permanent or temporary injunction, temporary restraining order, or other order, and may award to the plaintiff actual damages and not more than \$1000 punitive damages, together with court costs and reasonable attorney fees." 415 U.S. at 189-190 (quoting 42 U.S.C. § 3612) (emphasis supplied). Despite the language concerning "the court" granting relief "as it deems appropriate," this Court did not hold that the statute itself directed judicial, rather than jury, determinations of damages. Instead, it found "plausible arguments" for both sides of the question "from the wording and construction" of the statute. *Id.* at 192.

This Court's subsequent decision in *Lorillard v. Pons, supra*, took the next step and found the jury trial right preserved by the statute. That case also involved consideration of whether an anti-discrimination statute (the Age Discrimination in Employment Act) provided for trial by jury. The remedial provisions of the ADEA provided that "[i]n any action brought to enforce this chapter the court shall have jurisdiction to grant such legal or equitable relief as may be appropriate to effectuate the purposes of this chapter * * * ." 434 U.S. at 579 n.5 (quoting 29 U.S.C. § 626(b)) (emphasis supplied). Examining the language and history of this provision, this Court held that "Congress intended that in a private action under the ADEA a trial by jury would be available where sought by one of the parties." *Id.* at 585. Thus, the Court in *Lorillard* interpreted the statute authorizing "the court * * * to grant such legal or equitable relief as may be appropriate" to provide for trial by jury, without

reaching the question whether the Constitution would require such a result in the absence of a statutory command.²

Second, that Section 504(c) calls for the exercise of discretion does not establish that Congress intended the pertinent determinations to be made by a judge instead of a jury. While it is no doubt true that the exercise of discretion characterized the function of the chancellor in equity, it has never been thought that any task involving the exercise of discretion is necessarily removed from the province of the jury and given to the judge. On the contrary, juries in our system make discretionary decisions every day.

For example, this Court has held that decisions concerning punitive damages "should not be committed to the *unreviewable* discretion of a jury," *Honda Motor Co. v. Oberg*, 512 U.S. 415, 435 (1994) (emphasis supplied), and has recognized that "[u]nder the traditional common-law approach, the amount of the punitive award is initially determined by a jury instructed to consider the gravity of the wrong and the need to deter similar wrongful conduct." *Pacific Mutual Life Ins. Co. v. Haslip*, 499 U.S. 1, 15 (1991). The Court has never concluded that there is anything untoward or unusual about vesting the jury with the authority to make this inherently discretionary decision.

These cases are simply modern applications of the long-standing principle, recognized in *Tull*, 481 U.S. at 422, that "[r]emedies intended to punish culpable individuals, as opposed to those intended simply to extract compensation or restore the status quo, were issued by courts of law, not

² See also *Sibley v. Fulton Dekalb Collection Serv.*, 677 F.2d 830, 832-833 (11th Cir. 1982) ("It has been frequently determined *** that the word 'court,' used in the [Fair Debt Collection Practices] Act and in the remedial portions of numerous other statutes, encompasses trial by both judge and jury rather than by judge alone. In this case, we likewise choose to interpret the word 'court' to encompass trial by both judge and jury. This interpretation serves to avoid the serious constitutional questions that would be raised under the seventh amendment if we adopted a construction of the Act that prohibited trial by jury") (footnote omitted).

courts of equity." As the *Tull* Court explained, it has never been thought that such awards are equitable merely because they are "not fixed or readily calculable from a fixed formula," but rather require the exercise of judgment and discretion. *Id.* at 422 n.7.

Even outside the punitive context, it has been recognized that decisions commonly made by juries—such as the amount of damages to award for pain and suffering—involve not simply factfinding followed by mathematical calculation but rather considerable discretion. See, e.g., *Monessen S.W. Ry. Co. v. Morgan*, 486 U.S. 330, 348 n.5 (1988) (pain and suffering damages "are inherently noneconomic and are established through the subjective discretion of the jury") (Blackmun, J., concurring and dissenting) (citing Dan B. Dobbs, *Law of Remedies*, § 8.1 at 548-550 (1973)).

In short, the mere fact that Section 504(c) provides for the exercise of discretion in assessing statutory damages does not establish that Congress intended the judge rather than the jury to exercise that discretion. The language of the statute thus provides no basis for concluding that Congress intended to preclude juries from determining the amount of statutory damages.

Third, in light of the facial ambiguity of the statute, it is necessary to consult other sources in the effort to determine statutory intent. Here, the best of these sources, providing a conclusive answer, is found in the historical pedigree of Section 504(c).

The Copyright Act of 1976 was the result of a nearly twenty year legislative effort to rewrite the laws "securing for limited Times to Authors *** the exclusive Right to their respective Writings ***." U.S. Const. art. I, § 8, cl. 8. The 1976 Act was not, however, the first federal copyright statute providing for statutory damages "as the court considers just." Its statutory damages provisions are nearly identical to those found in the 1909 Act,³ and—as this Court has noted—the

³ Columbia has recognized that "neither this Court nor any circuit court has concluded that the amendments in the 1976 Act

statutory damages provisions of the 1909 Act in turn trace their origins to 1856. *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 107-108 (1919). See also *Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202, 205-207 (1931).

In that year, Congress adopted the first federal copyright statute authorizing "the court" to determine a "just" measure of damages. Act of Aug. 18, 1856, ch. 169, 34th Cong., 1st Sess., 11 Stat. 138, 139. The 1856 Act, which concerned the unauthorized performance of dramatic compositions, provided for an "action on the case or other equivalent remedy" in which damages were to be "assessed at such sum not less than one hundred dollars for the first, and fifty dollars for every subsequent performance, as to the court having cognizance thereof shall appear to be just." *Id.* (emphasis supplied). An action on the case, of course, was an action at law, for which a jury would be available. See F.W. Maitland, *The Forms of Action at Common Law* 65-67 (1963 ed.) [hereinafter, "Maitland"].⁴

The language providing for damages in an amount "as to the court shall appear to be just" was carried forward in copyright provisions protecting dramatic compositions in the revisions of 1870 and 1897.⁵ There is no evidence that Congress intended in these subsequent revisions to remove the jury trial right it so clearly intended at the time of the 1856 Act. See Patry, *supra*, at 165-166, 169.

changed the nature of statutory copyright damages." Opp. Cert. 8-9 n.3.

⁴ The phrase "or other equivalent remedy" was added to account for the fact that civil law courts in some states would not recognize an action on the case. See William F. Patry, *The Right to a Jury in Copyright Cases*, 29 J. Copyright Soc'y 139, 162-163, 169 (1981) [hereinafter, "Patry"] (quoting Cong. Globe, 34th Cong., 1st Sess. 1643 (1856)).

⁵ Act of July 8, 1870, ch. 230, § 101, 41st Cong., 2d Sess., 16 Stat. 198, 214; Act of January 6, 1897, ch. 4, 54th Cong., 2d Sess., 29 Stat. 481, 482.

Indeed, in *Brady v. Daly*, 175 U.S. 148 (1899), a case reaching this Court under the 1870 version of the statute (then found in Section 4966 of the Revised Statutes), the plaintiff—after initial proceedings in equity—sought damages under Section 4966 in, as he would, a proceeding at law. The report of the case indicates that "[a] jury trial was waived," *id.* at 151—an act that would have been quite unnecessary had there been no entitlement to a jury. In its decision, moreover, the Court rejected the claim, important for jurisdictional purposes, that Section 4966 involved a forfeiture or penalty. Instead, the Court held, "it is * * * evident that the statute seeks to provide a remedy * * * and to grant the proprietor the right to recover damages which he has sustained * * * ." *Id.* at 154 (emphasis supplied). Actions to recover damages were and are, of course, "the traditional form of relief offered in the courts of law." *Curtis*, 415 U.S. at 196.

In the general revision of the copyright laws in 1909, Congress extended these statutory damages beyond the area of dramatic compositions. Section 25(b) of the 1909 Act provided that in all cases of copyright infringement the plaintiff could elect "in lieu of actual damages and profits such damages as to the court shall appear to be just, and in assessing such damages, the court may, in its discretion, allow the amounts hereinafter stated." Act of Mar. 4, 1909, ch. 320, § 25(b), 60th Cong., 2d Sess., 35 Stat. 1075, 1081. The statute then set out specified amounts for infringement of various types of works, including, for example, "one hundred dollars for the first and fifty dollars for every subsequent infringing performance" of dramatic compositions—the same remedial scheme first enacted in the 1856 Act. See H.R. Rep. 2222, 60th Cong., 2d Sess. 16 (1909) (subsection on dramatic compositions "is a substantial reenactment of existing law"). Section 25(b) further provided that these statutory damages in total could not, in most cases, "exceed the sum of five

thousand dollars nor be less than the sum of two hundred and fifty dollars, and shall not be regarded as a penalty."⁶

Against the backdrop of the previous 50 years of experience under the dramatic compositions provision, this language could only have been understood to preserve the statutory jury trial right. Congress in effect took the remedial regime that had existed for dramatic compositions—which, as we have seen, involved an action on the case in which a jury was available—and applied it to all cases of copyright infringement. "[W]here, as here, Congress adopts a new law incorporating sections of a prior law, Congress normally can be presumed to have had knowledge of the interpretation given to the incorporated law, at least insofar as it affects the new statute." *Lorillard*, 434 U.S. at 581. See also *Bob Jones Univ. v. United States*, 461 U.S. 574, 601-602 (1983); *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 381-382 (1982). As Justice Frankfurter has explained, when a concept "is obviously transplanted from another legal source, whether the common law or other legislation, it brings the old soil with it." *Some Reflections on the Reading of Statutes*, 47 Colum. L. Rev. 527, 537 (1947).

⁶ The drafting history of the 1909 Act—"which was the result of a series of conferences called by the Librarian of Congress," *Jewell-LaSalle Realty*, 283 U.S. at 206 n.4—suggests that this manner of imposing statutory damages was selected in order to cabin the discretion of juries. See, e.g., 3 E. Fulton Brylawski and Abe Goldman, eds., *Legislative History of the 1909 Copyright Act* 235 (1976) (statement of George Haven Putnam of the American Publishers' Copyright League, at Copyright Conference, that "[w]e want to be in a position to secure a fixed payment * * * which shall be small enough to enable the jury to give us a verdict, [and] that shall be high enough to deter similar piracies. The suggestion was for a payment of \$1.00 a copy with a minimum of \$100 and a possible maximum of \$5000"); *id.* at 241 ("I think there ought to be a maximum and minimum provision. With that the court could tell the jury that a man could not get more than \$5000 in any case; and in the case of a man's accidental infringement it is hard to get the jury to set a minimum") (statement of Samuel J. Elder).

The conclusion that the 1909 Act preserved the right to a trial by jury was endorsed by the Second Circuit shortly after the statute was enacted. In *Mail & Express v. Life Publishing Co.*, 192 F. 899, 901 (2d Cir. 1912), the court observed that "[w]hile the language of the provision quoted [Section 25(b) of the 1909 Act] is somewhat obscure, we do not think that by the use of the word 'court' it is required that the judge acting by himself shall assess the damages when a case is presented calling for an award under the minimum damage clause." Instead, it is "the better view that the statute permits him to direct the jury to assess the damages within the prescribed amounts." *Id.*

From the time of the 1909 Act until enactment of the Copyright Act of 1976, only one other court of appeals decision squarely addressed the availability of a jury trial under the 1909 Act. In *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77 (1st Cir. 1957), the First Circuit rejected the plaintiff's claim that it should have been afforded a jury when seeking "in lieu of" damages. The court held that such damages were no different from actual damages, which the plaintiff had conceded "the district court as a court of equity would have been free to determine and award * * * as incidental to the relief by way of injunction against future infringements." *Id.* at 81-82.

As the Eighth Circuit recently observed, the plaintiff's concession was based on an inaccurate view of the law, as confirmed less than two years after *Chappell* in this Court's decision in *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959). See *Cass County*, 88 F.3d at 639. Long before 1976, therefore, it would have been clear that the *Chappell* decision was infirm. In fact, after *Beacon Theatres*, the First Circuit's rejection of any distinction between actual and statutory damages "actually now supports the position that damages for copyright infringement are legal and therefore trigger the right to trial by jury, whether the damages sought are actual or statutory." *Cass County*, 88 F.3d at 639. See also *Patry, supra*, at 181.

At the time Section 504(c) was enacted in 1976, then, Congress was acting against an historical backdrop in which statutory damages left to the discretion of "the court" had long been understood to include the right to a jury trial. From the time of the "action on the case" provided in the 1856 Act, through the 1909 Act as interpreted by the Second Circuit in *Mail & Express*, authorities indicated that a jury trial was available to determine statutory damages. As we have noted, and as respondents have conceded, it is generally understood that, so far as is pertinent here, the 1976 Act effectively reenacted the 1909 Act.⁷

In light of the language of Section 504(c), which certainly *permits* the use of a jury to determine issues related to

⁷ What legislative history there is regarding the remedies provisions of the 1976 Act supports the view that a jury trial was envisioned. The various reports on the bill enacted into law speak, as does the statute itself, of statutory damages being awarded by "the court." See, e.g., H.R. Rep. No. 1476, 94th Cong., 2d Sess. 162 (1976). In discussing the actual damages provisions, however, the reports also state that "the court" will have to make the necessary apportionment between profits attributable to infringement, which are recoverable, and those attributable to other factors, which are not. *Id.* at 161. "Thus, the word 'court' is used in the same report in connection with actual damages, a jury issue." *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369, 372 (D. Del. 1990).

One other source is worth noting. When Congress enacted the Semiconductor Chip Protection Act of 1984, Pub. L. No. 98-620, ch. 9, 98 Stat. 3347 (codified as amended at 17 U.S.C. §§ 901-914), the House Judiciary Committee noted that "[s]ection 911(c) provides statutory damages, in terms generally analogous to 17 U.S.C. § 504(c), but the discretionary amount that can be awarded to the plaintiff is raised to \$250,000. * * * In using the term 'court' in Section 911(b) and (c) it is the intent of the Committee, as under 17 U.S.C. § 504(c), that there be a right to a jury where requested." H.R. Rep. No. 781, 98th Cong., 2d Sess. 27 (1984) (emphasis supplied). While this statement cannot speak to the intent of those Congresses that enacted previous legislation, it is certainly probative that a Congress using essentially the same language as that found in the 1909 and 1976 Acts believed it had secured a statutory right to trial by jury.

statutory damages, and its history, under which it has long been the case that jury trials were available, it is clear that "a construction of the statute is *fairly possible* by which the [constitutional] question may be avoided." *Tull*, 481 U.S. at 417 n.3 (emphasis supplied; internal quotation omitted). Consistent with the "cardinal principle" that resolution of constitutional questions should be avoided where possible, *id.*, this Court should hold that Section 504(c) itself preserves to the parties the opportunity for trial by jury.

II. THE SEVENTH AMENDMENT GUARANTEES THE RIGHT TO A JURY TRIAL ON ALL ISSUES PERTAINING TO THE IMPOSITION OF STATUTORY DAMAGES UNDER SECTION 504(c)

The Seventh Amendment to the Constitution provides that "[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved * * *." Any consideration of the scope and applicability of the Amendment must begin with an appreciation of the surpassing importance the Framers attached to this right. They considered it a vital "bulwark against tyranny and corruption, a safeguard too precious to be left to the whim of the sovereign, or, it might be added, to that of the judiciary." *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 343 (1979) (Rehnquist, J., dissenting).

The abrogation of the right to trial by jury was in fact one of the American colonists' principal grievances against the Crown, specifically included among the indictments of George III in the Declaration of Independence. See *The Declaration of Independence* para. 20 (1776) ("For depriving us, in many cases, of the Benefits of Trial by Jury"). Perhaps the objection to the proposed Constitution that gained the most currency, "well-nigh preventing its ratification," was its failure to guarantee the right to trial by jury in civil cases. 2 Joseph Story, *Commentaries on the Constitution of the United States* § 1763 (5th ed. 1891). Hamilton felt compelled in *The Federalist* to assure those considering ratification that the Framers intended no diminishment of that right:

The friends and adversaries of the plan of the convention, if they agree in nothing else, concur at least in the value they set upon the trial by jury; or if there is any difference between them it consists in this: the former regard it as a valuable safeguard to liberty; the latter represent it as the very palladium of free government. [*The Federalist* No. 83, at 499 (Clinton Rossiter ed. 1961).]

For his part, Jefferson regarded the right as "the only anchor yet imagined by man, by which a government can be held to the principles of its constitution." 3 *The Writings of Thomas Jefferson* 71 (Washington ed. 1861) (quoted in *Galloway v. United States*, 319 U.S. 372, 397 (1943) (Black, J., dissenting)). James Iredell of North Carolina, campaigning for ratification of the Constitution, argued that any representative who, out of "folly or insanity," sought to infringe the right "soon would be taught the consequence of sporting with the feelings of a free people." James Iredell, Marcus, *Answers to Mr. Mason's Objections to the New Constitution* (1788), in 5 *The Founders' Constitution* 357-358 (Philip B. Kurland & Ralph Lerner eds. 1987). To Patrick Henry, trial by jury was "the best appendage of freedom." 3 *Elliott's Debates*, *supra*, at 324.⁸ In their unbridled devotion to the right of trial by jury, the Framers merely echoed Blackstone—their primary source on the law—who viewed the right as "the glory of the English law," and "the most transcendent privilege which any subject can enjoy." 3 William Blackstone, *Commentaries* *379 (1768).

In ratifying the Constitution, seven of the original thirteen States did so with the strong recommendation that it be promptly amended to include a Bill of Rights. Six of those seven states urged a specific guarantee of the right to trial by

⁸ Every one of the thirteen original States guaranteed the right to trial by jury—many in worshipful terms, *see, e.g.*, Va. Const., art. I, § 11 ("the trial by jury is preferable to any other, and ought to be held sacred")—making the right "probably the only one universally secured by the first American state constitutions." Leonard W. Levy, *Legacy of Suppression: Freedom of Speech and Press in Early American History* 281 (1960).

jury in civil cases.⁹ That was accomplished when, with no recorded debate, the Seventh Amendment was included in the Bill of Rights.

This Court early on reaffirmed the historic significance of the right to trial by jury. *See, e.g., Parsons v. Bedford*, 28 U.S. (3 Pet.) 433, 446 (1830) ("The trial by jury is justly dear to the American people. It has always been an object of deep interest and solicitude, and every encroachment upon it has been watched with great jealousy.") (Story, J.). As the Court admonished in *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935), "[m]aintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care." *See also Jacob v. City of New York*, 315 U.S. 752, 752-753 (1942) ("A right so fundamental and sacred to the citizen * * * should be jealously guarded by the courts.").

The test for undertaking such scrutiny in cases such as this is well-established:

First, we compare the statutory action to 18th-century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature. [*Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989) (quotation omitted).]

When that test is applied to this case, the answer is readily apparent: just as actions seeking statutory damages for copyright infringement were tried before juries in courts of law in the 18th century, so the Seventh Amendment requires that their modern-day counterparts be tried to juries today if either party desires. It is simply inconceivable that the Framers who attached such importance to the right preserved by that amendment would have countenanced the imposition

⁹ *See 2 The Debate on the Constitution* 538 (Bernard Bailyn, ed. 1993) (ratification resolution of New York); 549 (Massachusetts); 551 (New Hampshire); 555 (Maryland); 560 (Virginia); 567 (North Carolina).

by a judge of a damage award of nearly \$9,000,000, based on specific factual findings after trial on disputed evidence and intended in part to compensate a copyright holder for the infringement of a property right.¹⁰

A. Actions For Copyright Infringement Seeking Statutory Damages Were Historically Tried In Courts Of Law

Although this Court has on occasion characterized the first part of the Seventh Amendment test—the comparison with 18th century English actions—as “abstruse,” *Ross v. Bernhard*, 396 U.S. 531, 538 n.10 (1970), it is also true that in some cases the answer is “easy” because of clear historical evidence. *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1389 (1996). See *Chauffeurs, Teamsters and Helpers, Local No. 391 v. Terry*, 494 U.S. 558, 593 (1990) (“The historical test, in fact, resolves most cases without difficulty.”) (Kennedy, J., dissenting).

This is such a case. Most of the Court’s recent Seventh Amendment cases have involved modern statutory rights unknown to 18th century England, requiring the Court to strain to find “analogous” common law causes of action.¹¹ There is no need to do so here. Statutory damages for copyright infringement have existed since the first English copyright statute was enacted in 1710, and the historical record is clear that such claims were tried in courts of law,

¹⁰ See 2 William F. Patry, *Copyright Law and Practice* 1170 n.384 (1994) (“It is simply incredible that an award of up to \$100,000 per work can be made based upon a finding of willfulness—a clear fact issue—without a jury.”).

¹¹ See, e.g., *Wooddell v. International Bhd. of Elec. Workers, Local 71*, 502 U.S. 93 (1991) (alleged violations of union’s duties under Labor Management Relations Act and Labor-Management Reporting and Disclosure Act); *Terry, supra* (alleged violation of union’s duty of fair representation under National Labor Relations Act); *Granfinanciera, supra* (action to rescind fraudulent preference under Bankruptcy Act); *Tull, supra* (government’s claim for penalties under Clean Water Act); *Curtis, supra* (claim under Title VIII of Civil Rights Act).

not courts of equity. Accordingly, it follows that Feltner has a Seventh Amendment right to have a jury decide Columbia’s claim for statutory damages under the present-day statute.

Under Anglo-American law, copyright has existed as a common law or statutory right for more than 300 years. The early common law right was derived from concepts of natural law—recognizing the fruits of one’s intellectual labor as his property.¹² Actions seeking damages for infringement of common law copyright—like actions seeking damages for invasions of other property rights—were tried in courts of law. See *Millar v. Taylor*, 4 Burr. at 2396, 98 Eng. Rep. at 251 (Common law copyright “can only be violated by another’s printing without the author’s consent: which is a civil injury. The only remedy is the same; by an action upon the case, for damages, or a bill in equity for specific relief.”) (Mansfield, J.) (emphasis supplied). As noted, an “action on the case” was a form of action tried exclusively in courts of law, not equity. See *supra* at 16.

Given copyright’s history as a legal, not equitable, right, and the fundamentally legal nature of the remedy of actual damages, there can be no question that present-day infringement actions seeking actual damages must be tried to a jury.¹³ The question in this case, then, is whether the remedy of statutory damages—which the plaintiff may elect “instead of actual damages and profits” at its sole discretion—

¹² See *Millar v. Taylor*, 4 Burr. 2303, 2398, 98 Eng. Rep. 201, 252 (K.B. 1769) (common law copyright derived from the principle “that an author should reap the pecuniary profits of his own ingenuity”) (Mansfield, J.); 2 William Blackstone, *Commentaries* *405 (1768) (common law copyright derived from ancient law of “occupancy”); *The Federalist* No. 43 at 271 (Clinton Rossiter, ed. 1961) (“The copyright of authors has been solemnly adjudged in Great Britain to be a right of common law.”) (James Madison).

¹³ See *Markman*, 116 S. Ct. at 1389 (“[T]here is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago.”); *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 477 (1962) (An action for damages for trademark infringement is “subject to cognizance by a court of law.”); *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946).

somehow converts this traditionally legal claim into an equitable one.

Historical practice in England and in the United States provides a ready answer. The first English copyright statute, the Statute of Anne, was enacted in 1710 and provided that the damages for infringement would be "one penny for every sheet which shall be found in [the infringer's] custody, either printed or printing, published or exposed to sale * * *." 8 Anne ch. 19 (1710).¹⁴

Consistent with the earlier practice with respect to common law copyright, an action seeking statutory damages under this enactment would have been tried to a jury in a court of law.¹⁵ As Justice Yates explained in *Millar v. Taylor*, *supra*, the right granted by the Statute of Anne was

the same as a lease, a grant, or any other common-law right, whilst the term exists; and will equally intitle him

¹⁴ Earlier statutes and royal edicts dealing with printing were not copyright statutes, but rather means of maintaining government censorship of, and monopoly control over, the press. Beginning in the early 16th century, English monarchs maintained increasing control over the press, culminating in 1557 in the granting of a printing monopoly to the Stationers Company of London. The royal decrees relating to the Stationers Company were enforced by the notorious Star Chamber prior to its demise in 1640. In 1643, Parliament began enacting licensing acts, patterned after Star Chamber decrees, which restored many of the powers of the Stationers Company. See generally 1 William F. Patry, *Copyright Law and Practice* 6-9 (1994). The monopoly granted by the licensing acts—in a sense a predecessor to copyright protection—was enforced in courts of law through actions for debt. See *Company of Stationers v. Parker*, Skinner 233, 90 Eng. Rep. 107 (K.B. 1681); *Company of Stationers v. Seymour*, 1 Mod. 257, 86 Eng. Rep. 865 (K.B. 1677).

¹⁵ In England it was held that enactment of copyright statutes displaced the common law copyright. See *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. 257 (H.L. 1774), *overruling Millar*, *supra*. This Court has likewise held that all copyright remedies in this country are statutory. See *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834). The term "common law copyright" is used today primarily to refer to copyright in unpublished works.

to all common-law remedies for the enjoyment of that right. He may, I should think, file an injunction-bill to stop the printing: but I may say, with more positiveness, *he might bring an action, to recover satisfaction for the injury done him, contrary to law, under the statute.* * * * "[W]herever a statute gives a right, the party shall, by consequence have an action at law, to recover it." [4 Burr. at 2380-81, 98 Eng. Rep. at 243 (Yates, J.) (citation omitted; emphasis supplied).¹⁶]

See *Beckford v. Hood*, 7 Term Rep. 616, 627, 101 Eng. Rep. 1164, 1167 (K.B. 1798) ("[T]he statute having vested that right in the author, the common law gives the remedy by action on the case for the violation of it.") (Kenyon, C.J.).¹⁷

This practice of enforcing statutory damages through an action at law was followed in this country even before adoption of the Constitution. In 1783, the Continental Congress passed a resolution recommending that the states secure copyright protections for authors. See U.S. Copyright Office, *Copyright Enactments: Laws Passed in the United States Since 1783 Relating to Copyright*, 140 Copyright Office Bulletin No. 3 at 1 (1973) [hereinafter "*Copyright Enactments*"]. Twelve states (all except Delaware) responded by enacting copyright statutes, all of which contained statutory

¹⁶ The precise issue in *Millar* was whether the Statute of Anne superseded the common law of copyright. In *Millar*, the King's Bench (over Justice Yates' dissent) held that the statute merely supplemented the common law remedies. As noted above (see *supra* n. 15), that decision was later overruled by the House of Lords in *Donaldson v. Becket*.

¹⁷ See also *Colburn v. Simms*, 2 Hare 543, 564, 67 Eng. Rep. 224, 233 (Ct. Chan. 1843) (damages under Statute of Anne were enforced in "the Courts of ordinary jurisdiction * * * according to their ordinary principles"); *Millar*, 4 Burr. at 2319, 98 Eng. Rep. at 210 ("[A] bill in Chancery is not given; and consequently could not be brought upon this Act.") (Willes, J.); *Wheaton*, 33 U.S. (8 Pet.) at 697 (Thompson, J., dissenting); *Atwill v. Ferrett*, 2 F. Cas. 195, 198 (S.D.N.Y. 1846) ("The act of 8 Anne, c. 19, did not designate the form of action, yet no doubt was ever expressed that case was the appropriate one.").

damages provisions. *Id.* at 1-19. Seven of these statutes expressly stated that the statutory damages were to be enforced through actions at law, while the others were silent on the question.¹⁸ See *Hudson & Goodwin v. Patten*, 1 Root 133 (Conn. Super. Ct. 1789) (jury trial in copyright infringement action under Connecticut statute). Importantly, the statutory damages provisions of three of these statutes (Massachusetts, New Hampshire, and Rhode Island) authorized awards between specified minimum and maximum amounts—just like present-day Section 504(c)—and all three expressly provided that recovery would be through an “action of debt.” *Copyright Enactments, supra*, at 4, 8, 9. None of these early statutes made any reference to equity jurisdiction.

Likewise, in the first federal copyright statute—enacted one year *before* ratification of the Seventh Amendment—Congress expressly provided for statutory damages and expressly provided that such damages would be assessed in an action at law. The Copyright Act of 1790 provided that,

¹⁸ *Id.* at 2 (Connecticut—statutory damages for published works of double the value of copies enforceable by action “at law”); *id.* at 4 (Massachusetts—statutory damages of not less than five pounds and not more than 3,000 pounds enforceable by “action of debt”); *id.* at 8 (New Hampshire—statutory damages of not less than five pounds and not more than 1,000 pounds enforceable by “action of debt”); *id.* at 9 (Rhode Island—statutory damages of not less than five pounds and not more than 3,000 pounds enforceable by “action of debt”); *id.* at 11 (South Carolina—statutory damages of one shilling per sheet enforceable by “debt, plaint or information”); *id.* at 17 (Georgia—statutory damages for published works of double the value of copies enforceable “in due course of law”); *id.* at 19 (New York—statutory damages for published works of double the value of copies enforceable in “court of law”).

Two of the statutes allowed actions in any court “of record.” *Id.* at 14 (Virginia—statutory damages of double the value of copies); *id.* at 17 (North Carolina—same). Two others allowed actions in any court where the action may be cognizable. *Id.* at 7 (New Jersey—statutory damages of double the value of copies); *id.* at 10 (Pennsylvania—same). One was silent on the mode of enforcement. *Id.* at 6 (Maryland—statutory damages of two pence per sheet).

for infringement of a copyright in a published work, damages would be “the sum of fifty cents for every sheet which shall be found in [the infringer’s] possession * * * *to be recovered by action of debt* in any court of record in the United States wherein the same is cognizable.” Act of May 31, 1790, ch. 15, § 2, 1st Cong., 2d Sess., 1 Stat. 124, 125 (emphasis supplied).¹⁹ For infringement of copyright in unpublished works, the statute provided for actual damages “to be recovered by a special action on the case * * * in any court having cognizance thereof.” *Id.* § 6.

An action of debt and an action on the case were, of course, prototypical remedies at law for which a jury was required. See Maitland, *supra*, at 63-64, 65-67. Moreover, the legal nature of these damages provisions was further underscored by the fact that the Copyright Act of 1790 did not provide for equitable remedies at all.²⁰ Finally, any doubt about the legal nature of these damages provisions is dispelled by *Stevens v. Gladding*, 58 U.S. (17 How.) 447 (1854), in which the Court held—even after Congress had provided for equity jurisdiction under the Copyright Act—that its statutory damages provisions could not be enforced through a suit in equity. *Id.* at 455. See *Callaghan v. Myers*, 128 U.S. 617, 663 (1888) (Court determined in *Stevens* that statutory damages provisions “cannot be enforced in a suit in equity”).

This Court has stressed that the actions of the First Congress are “‘contemporaneous and weighty evidence’ of the

¹⁹ Like the earlier Statute of Anne, see 8 Anne ch. 19 (1710), the first U.S. Copyright Act provided that one half of the statutory damages recovered would be paid to the United States government. Act of May 31, 1790, ch. 15, § 2, 1st Cong., 2d Sess., 1 Stat. 124, 125. This sort of provision was not completely eliminated from the Copyright Act until 1909. See Act of Mar. 4, 1909, ch. 320, § 25, 60th Cong., 2d Sess., 35 Stat. 1075, 1081.

²⁰ The law did not provide for federal court jurisdiction, and was therefore enforced in the state courts. Congress did not provide either federal or equity jurisdiction over copyright actions until 1819. See Act of Feb. 15, 1819, ch. 19, 15th Cong., 2d Sess., 3 Stat. 481.

Constitution's meaning." *Bowsher v. Synar*, 478 U.S. 714, 723 (1986) (quoting *Marsh v. Chambers*, 463 U.S. 783, 790 (1983)). Those early actions are even more probative—if not dispositive—of the issue here, because the Seventh Amendment was specifically intended to “preserve” the right to a jury trial as it existed at the time of its ratification in 1791. The Copyright Act of 1790 confirms that the members of the First Congress understood actions for recovery of statutory damages for copyright infringement to be actions at law.

It is clear, then, that in the 18th century, copyright actions seeking statutory damages—in England and the United States—were tried before juries in courts of law. This was true not only with respect to the fixed amounts imposed by the Statute of Anne and the Copyright Act of 1790, but also with respect to statutes that authorized awards of damages within a set range—direct predecessors of Section 504(c). As we have noted (*see supra* at 28), three states had enacted such statutes prior to the ratification of the Seventh Amendment, and all three expressly provided that the damages within the set range were to be enforced through actions at law.

Thus, the historical evidence strongly supports, if not compels, a holding that a claim for statutory damages under Section 504(c) is a legal claim triable to a jury upon demand.

B. Statutory Damages Under Section 504(c) Are Not An Equitable Remedy

Given that there are direct historical analogues to Section 504(c) actions for statutory damages and that such analogues were actions at law, it is not surprising that an analysis of the nature of the remedy provided by Section 504(c) confirms that the remedy assessed in this case—an award of \$8,800,000 in damages following a finding of willful infringement—cannot be considered “equitable” in nature.

As this Court has explained, “an action for money damages was ‘the traditional form of relief offered in the courts of law.’” *Terry*, 494 U.S. at 570-571 (quoting *Curtis*, 415 U.S. at 196). Thus, the Court will find an “exception to the

general rule” that such an action is triable to a jury only if the damages have the “attributes” of an equitable remedy. *Id.* The Court has identified only two such instances: purely restitutionary actions, such as actions for disgorgement of improper profits, and monetary awards that are “‘incidental to or intertwined with injunctive relief.’” *Id.* (quoting *Tull*, 481 U.S. at 424). As explained below, statutory damages under Section 504(c) bear no resemblance to these equitable remedies. Rather, they are designed to accomplish two objectives—compensation and punishment—both of which are classic goals of legal remedies.

1. The statutory damages provisions of the early copyright statutes were characterized as forfeitures or penalties. *See* Act of May 31, 1790, ch. 15, § 2, 1st Cong., 2d Sess., 1 Stat. 124, 125 (“every such offender or offenders shall also forfeit and pay the sum of fifty cents for every sheet”); 8 Anne ch. 19 (1710) (“every offender or offenders, shall forfeit one penny for every sheet”); *Bolles v. Outing Co.*, 175 U.S. 262, 264 (1899) (provision establishing fixed amount of statutory damages is “clearly a penal statute”); *Backus v. Gould*, 48 U.S. (7 How.) 798, 811 (1849) (same); *Stevens*, 58 U.S. (17 How.) at 454 (same). It was in part because courts of equity would not enforce penalties or forfeitures that such statutory damages could only be awarded by a jury through an action at law. *Id.* *See Jones v. Guaranty & Indem. Co.*, 101 U.S. (11 Otto) 622, 628 (1879) (“A court of equity abhors forfeitures, and will not lend its aid to enforce them.”).

Even these early statutes, however, were not exclusively penal but also were designed in part to provide a statutory measure of *compensation* to the copyright holder—akin to liquidated damages—in an area where actual damages were considered difficult to prove. *See Dwight v. Appleton*, 8 F. Cas. 183, 186 (S.D.N.Y. 1843) (“though these acts are penal, yet they are remedial also, and made in favor of the aggrieved party, and to secure his rights, and the forfeiture goes in part to him”) (Thompson, J.). The Statute of Anne, for example, was enacted in response to complaints that at common law

a bookseller can recover no more costs than he can prove damage: but it is impossible for him to prove the tenth, nay perhaps the hundredth part of the damage he suffers; because a thousand counterfeit copies may be dispersed into as many different hands all over the kingdom, and he not be able to prove the sale of ten. [*Millar*, 4 Burr. at 2318, 98 Eng. Rep. at 209 (Willes, J.).]

See also *id.* at 2351, 98 Eng. Rep. at 227 (Aston, J.). Statutory damages under the Statute of Anne—which we have shown were enforceable only in courts of law—were thus intended to provide an adequate remedy at law, not to supplement a legal remedy with an equitable one.²¹

Statutory damages under Section 504(c) are likewise designed in part to compensate the copyright holder, a fact made clear when Congress began moving away from damages set at fixed amounts and toward a range of amounts. In *Brady*, *supra*, the Court held that Section 4966 of the Revised Statutes (a predecessor to Section 504(c)) was “not a penal statute,” because it was intended to provide “full compensation” to the copyright holder. 175 U.S. at 153, 154. As the Court explained:

In the face of the difficulty of determining the amount of such damage in all cases, the statute provides a minimum sum for a recovery in any case, leaving it open to a larger recovery upon proof of greater damage in those cases where such proof can be made. The statute itself does not speak of punishment or penalties, but refers entirely to the damages suffered by the wrongful act. [*Id.* at 154.]

The Court also emphasized that, unlike earlier statutes which awarded part of the recovery to the government, under Section 4966 “[t]he whole recovery is given to the proprietor.” *Id.* Thus, “[a]lthough punishment, in a certain and very

²¹ As explained below, see *infra* at 36, there is no question that statutory damages under Section 504(c) are likewise intended to supply an additional legal remedy, as they are awarded solely at the election of the copyright owner and not just when it is determined that an adequate legal remedy is lacking.

limited sense, may be the result of the statute,” its “chief purpose” is “the award of damages to the party who had sustained them * * *.” *Id.* at 157.

The dual purposes of statutory damages—compensation and punishment—are confirmed in the Court’s decisions construing Section 25(b) of the Copyright Act of 1909, the direct predecessor to Section 504(c). As noted in *Douglas v. Cunningham*, 294 U.S. 207, 209 (1935), Section 25(b) was intended “to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits.” More recently, however, the Court has made clear that “[t]he statutory rule, formulated after long experience, not merely compels restitution of profit and reparation for injury but also is designed to discourage wrongful conduct.” *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952).²²

The Copyright Act of 1976, which eliminated the proviso in Section 25(b) that statutory damages “shall not be regarded as a penalty,” Act of Mar. 4, 1909, 60th Cong., 2d Sess., ch. 320, § 25(b), 35 Stat. 1075, 1081, and established for the first time enhanced damages for willful infringement, likewise makes clear that Section 504(c) is intended, in part, to serve a punitive and deterrent function in addition to providing compensation. See also S. Rep. No. 352, 100th Cong., 2d Sess. 47 (1988) (statutory damages amounts increased in 1988 “to retain the deterrent effect against potential infringers

²² In *F.W. Woolworth*, the Court referred to the exercise of “judicial discretion,” 344 U.S. at 232, 234, and in *Douglas*, the Court noted that “[t]he trial judge may allow [statutory] damages as he deems to be just.” 294 U.S. at 210. In those cases, however, there is no indication that any party ever sought a jury trial, and the Court did not address any jury trial issues. See *Cass County*, 88 F.3d at 642 n.4, 643 n.5 (references to trial judge in *F.W. Woolworth* and *Douglas* were *dicta*). In fact, in *Douglas*, the Court stated that “the law commits to the trier of facts, within the named limits, discretion to apply the measure furnished by the statute,” which could refer to either the judge or the jury. 294 U.S. at 210 (emphasis supplied).

that Congress intended to create in the 1976 copyright revision"); *Cass County*, 88 F.3d at 643 ("[I]t is plain that another role has emerged for statutory damages in copyright infringement cases: that of a punitive sanction on infringers, and the award of punitive damages traditionally is a jury function.").

Thus, statutory damages are intended, in a single award, to serve both the function of actual damages—compensation—and the function of punitive damages—deterrence and punishment. And as the Court has made clear, "actual and punitive damages * * * is the traditional form of relief offered in the courts of law." *Curtis*, 415 U.S. at 196. See also *Tull*, 481 U.S. at 422 ("Remedies intended to punish culpable individuals * * * were issued by courts of law, not courts of equity."). The fundamentally legal nature of such damages is not altered merely because Congress decided to address compensatory and punitive objectives through a single award, rather than through separate awards as is commonly done today.²³

2. The only aspect of statutory damages that even arguably implicates equitable concerns is the consideration of the profits earned by the infringer as one possible factor out of many bearing on the amount of the award.²⁴ Yet as this case amply demonstrates, an award of statutory damages under Section 504(c) need bear no relation whatsoever to any

²³ Indeed, under the early English practice, the jury would award a single amount without distinguishing between these two types of damages. See, e.g., *Wilkes v. Wood*, Lofft. 1, 19, 98 Eng. Rep. 489, 499 (K.B. 1763).

²⁴ The factors to be considered in determining the amount of statutory damages include the amount lost by the owner, the expenses saved and profit earned by the infringer, willfulness or innocence, estimated licensing fees, deterrent effects, and the conduct and attitude of the parties. See *F.W. Woolworth*, 344 U.S. at 233; *Warner Bros., Inc. v. Dae Rim Trading, Inc.*, 877 F.2d 1120 (2d Cir. 1989); *Fitzgerald Publ'g Co. v. Baylor Publ'g Co.*, 807 F.2d 1110, 1117 (2d Cir. 1986); *Marvin Music Co. v. BHC Ltd. Partnership*, 830 F. Supp. 651, 656 (D. Mass. 1993); 2 William F. Patry, *Copyright Law and Practice* 1172-73 (1994).

profits earned by the infringer. See *F.W. Woolworth*, 344 U.S. at 232 ("the court's choice between a computed measure of damage and that imputed by statute cannot be controlled by the infringer's admission of his profits which might be greatly exceeded by the damage inflicted"). Here, the trial judge awarded Columbia \$8,800,000 in damages notwithstanding evidence that Feltner's stations earned no profit at all from their airing of the shows at issue. See Transcript of March 15-16, 1994 Trial ("Tr.") at 89-90, 130-131, 186, 222 (R. 281, 283). Such an award is in no way equitable "restitution." See *Tull*, 481 U.S. at 483 (The "authorization of punishment to further retribution and deterrence clearly evidences that this subsection reflects more than a concern to provide equitable relief. * * * [T]he District Court intended not simply to disgorge profits but also to impose punishment.").

Moreover, even if an award under Section 504(c) necessarily included an amount for profits earned by the infringer (which it does not), that would still not justify denying a jury trial. The Seventh Amendment guarantees the right to a jury in all cases except "those where equitable rights *alone* were recognized." *Granfinanciera*, 492 U.S. at 41 (quoting *Parsons*, 28 U.S. (3 Pet.) at 447) (emphasis supplied). Damages of the type awarded here could not be awarded by a court of equity. Historically, courts of equity could award an "accounting" of profits in copyright infringement cases, as an adjunct to their jurisdiction to award injunctive relief. In such cases, however, "[t]he Court of Equity * * * does not give anything beyond the account * * *." *Colburn v. Simms*, 2 Hare 543, 560, 67 Eng. Rep. 224, 231 (1843). Thus, in a copyright action seeking an accounting of profits, a court of equity could not award anything beyond the profits gained by the infringer.²⁵

²⁵ See *Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390, 399 (1940) (award of profits in equity was intended "not to inflict punishment but to prevent an unjust enrichment by allowing injured complainants to claim 'that which, *ex aequo et bono*, is theirs, and nothing beyond this'") (citation omitted; emphasis supplied); *Livingston v. Woodworth*, 56 U.S. (15 How.) 546, 560

In any event, even if Columbia had sought to characterize its demand as one only for an "accounting" of profits—which it did not do—such a characterization could not succeed in abrogating Feltner's Seventh Amendment right to a jury trial. In *Dairy Queen*, a plaintiff sought to characterize a claim for damages for trademark infringement as a request for an equitable accounting. Noting that "the constitutional right to trial by jury cannot be made to depend upon the choice of words used in the pleadings," the Court held that such a claim was in fact a legal claim triable to a jury because the plaintiff had not shown that it had no adequate remedy at law. *Dairy Queen*, 369 U.S. at 477-478, 479. So too here. Indeed, statutory damages under Section 504(c)—unlike equitable relief—are not awarded only where a trial judge finds that the plaintiff lacks an adequate remedy at law, as shown by the fact that the plaintiff may elect either actual or statutory damages at its sole discretion. See *Video Views*, 925 F.2d at 1015 ("The availability of statutory damages is premised on a far less demanding standard than the 'inadequacy of an adequate remedy at law' standard; it is premised simply on the copyright owner's election, for whatever reason.").

3. In no sense can the award at issue here be considered "incidental to or intertwined with injunctive relief," so as to make the remedy inherently equitable. *Terry*, 494 U.S. at 571 (citation omitted). An award of damages is not considered equitable under the Seventh Amendment if the plaintiff is "free to seek an equitable remedy in addition to, or independent of, legal relief," and the right to a jury "cannot be abridged by characterizing the legal claim as 'incidental' to the equitable relief sought." *Tull*, 481 U.S. at 425 (quoting *Curtis*, 425 U.S. at 196 n.11). See also *Beacon Theatres*, *supra*; *Dairy Queen*, 369 U.S. at 478. Statutory damages under Section 504(c) are not "intertwined" with injunctive

(1853) (in patent infringement case, court of equity could not award amount greater than actual profits; if plaintiffs desired punitive damages, they could have sought them in court of law).

relief, but are awarded separately under a separate statutory provision.²⁶

C. The Right To A Jury Determination Extends To All Issues Pertaining To The Imposition Of Statutory Damages Under Section 504(c)

After determining that a claim would have been triable before courts of law prior to ratification of the Seventh Amendment, the Court has also inquired whether particular issues within that action must be tried to a jury. See *Markman*, 116 S. Ct. at 1389; *Tull*, 481 U.S. at 426. The general question is whether a jury decision with respect to a particular issue is required to "preserve 'the substance of the common-law right of trial by jury.'" *Markman*, 116 U.S. at 1390 (quoting *Tull*, 481 U.S. at 426) (emphasis removed). As this Court explained in *Colgrove v. Battin*, 413 U.S. 149 (1973), "our decisions have defined the jury right preserved in cases covered by the Amendment, as 'the substance of the common-law right of trial by jury, as distinguished from mere matters of form or procedure.'" *Id.* at 156 (quoting *Baltimore & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935)).

Because infringement in this case was decided on summary judgment,²⁷ only three issues remained for the trial: (1) the

²⁶ Nor could the staggering award of \$8,800,000—and a potential award of \$44,000,000—be considered "incidental" to any request for equitable relief, even if that question were relevant to the Seventh Amendment inquiry after *Beacon Theatres* and *Dairy Queen*. Indeed, Columbia did not even secure an injunction in this case. See *Cass County*, 88 F.3d at 643 ("[A] prayer for damages in the amount of \$5000 per infringement for four infringements—\$20,000, a substantial amount—indicates to us that the [plaintiffs] did not seek these statutory damages as 'incidental' to any other relief.").

²⁷ Had the question of infringement remained, there would be no doubt that the jury would have decided that question, as was historically done in infringement actions tried at law. See, e.g., *Blunt v. Patten*, 3 F. Cas. 763, 765 (S.D.N.Y. 1828) ("[I]t is a proper question for the jury, whether the one is a copy of the other or not"); *Sayre v. Moore*, 1 East 360, 362 (K.B. 1785) (charging

number of infringements; (2) whether the infringement was willful, innocent, or neither; and (3) the amount of the damages.²⁸ As explained below, the Seventh Amendment requires that a jury decide each of these issues. A determination of whether damages should be set at \$800, \$44,000,000, or somewhere in between—the range at issue in this case based on the factual findings concerning the number of infringements and the defendant's willfulness or innocence—is, from the perspective of the substance of the right to trial by jury, at least as important as the determination of whether the defendant is liable in the first place. A determination that the defendant is liable for \$44,000,000 rather than \$800 can hardly be characterized as a "mere matter[] of form or procedure," *Colgrove*, 413 U.S. at 156 (quotation omitted), and the right to trial by jury in damages actions between private parties would be a flimsy "guard against judicial

jury that "if you think [defendant's work] is a mere servile imitation, and pirated from the other, you will find for the plaintiffs").

²⁸ See Tr. at 7 ("The only issues to be tried in this case, as the court understands, is how many infringements were involved, and were they willful, and what should the damages be.") (R. 281). At trial, the District Court declined to hear additional testimony on issues relating to the number of infringements, apparently basing its findings on evidence previously submitted. *Id.* at 10. Columbia has argued that Feltner is not entitled to a jury trial on the issue of the number of infringements in any event, but it appears that the Court of Appeals considered this to be a question of fact. The District Court, in its judgment after trial, made findings that "each episode constitutes a separate work for purposes of computing statutory copyright damages" and that the same episodes broadcast by different stations controlled by Feltner were separate acts of infringement. Pet. App. 22a. As to the latter finding, the Court of Appeals held that Feltner had "failed to demonstrate that the finding was erroneous," *id.* 15a, rejecting Feltner's contention that a contrary finding should have followed from admissions made by Columbia in its complaint. And as to the finding that each episode was a separate work, the Court of Appeals stated the legal standard as whether each episode "'has an independent economic value'" and could "'live [its] own copyright life.'" *Id.* 16a (citations omitted). The court then affirmed the District Court's findings on these questions, holding that the "evidence support[ed]" the District Court's conclusions. *Id.* 17a.

bias," *Davis v. Omitowoju*, 883 F.2d 1155, 1165 (3d Cir. 1989)—hardly worth the energy the Framers expended in extolling it, let alone winning it—if it did not extend to such a determination.

1. Number of Infringements

There can be little doubt that the purely factual question of the number of infringements was historically tried to the jury in actions seeking damages for copyright infringement. There appears to be no pre-1791 authority directly addressing this question.²⁹ Subsequent precedents, however—tolerably close to the time of the adoption of the Seventh Amendment—demonstrate that where statutory damages for copyright infringement were tried to a jury, the question of the number of infringements (under the early statutes, the number of sheets found in the defendant's possession) was for the jury to decide. See *Backus v. Gould*, 48 U.S. (7 How.) 798, 811-812 (1849); *Reed v. Carusi*, 20 F. Cas. 431, 432 (D. Md. 1845) ("If the jury find the defendant liable, they will find the number of copies caused to be printed for sale by him * * * and find the debt at the rate of one dollar for each sheet * * *") (Taney, J.); *Millett v. Snowden*, 17 F. Cas. 374, 375 (S.D.N.Y. 1844) ("The jury, if they consider that defendant has republished without leave obtained in writing, must

²⁹ In addition to the general paucity of reported opinions in that era, the absence of pre-1791 authority directly on point may be because copyright plaintiffs generally did not elect to proceed with a case for statutory damages after securing an injunction, due to the low level of such damages and the relatively cumbersome processes for obtaining them in an action at law. See Harry Ransom, *The First Copyright Statute: An Essay on An Act for the Encouragement of Learning, 1710* at 105 (1956) ("From the start the penalties [under the Statute of Anne] were judged not to be worth the expense or risks of a trial at common law."). Indeed, even though plaintiffs could generally seek an "accounting" as an adjunct to injunctive relief in Chancery, "[f]ew bills against pirates of books [were] ever brought to a hearing. If the defendant acquiesces under the injunction, it is seldom worth the plaintiff's while to proceed for an account; the sale of the edition being stopped." *Millar*, 4 Burr. at 2325, 98 Eng. Rep. at 213 (Willes, J.).

proceed to ascertain the number of sheets proved to have been sold, or offered for sale * * * and return a verdict of one dollar for each sheet"); *Dwight v. Appleton*, 8 F. Cas. 183, 185 (S.D.N.Y. 1843) (judge instructed jury "to find * * * how many volumes were imported, sold or exposed for sale by the defendants") (Thompson, J.). There is no reason to believe that any of these precedents constituted a departure from prior practice. See *Markman*, 116 S. Ct. at 1392 (inferring prior practice from later precedents).

2. Willfulness and Innocence

The Copyright Act of 1976 established different ranges of statutory damages for willful and innocent infringements. Thus, in this case, the trial judge made a factual finding of willfulness that increased the maximum allowable statutory damages fivefold, from \$20,000 per work infringed to \$100,000. The judge refused to make a factual finding of innocent infringement, which would have lowered the minimum statutory damages from \$500 to \$200. Because the early copyright statutes did not have different ranges of damages depending on the conduct of the defendant, there is no direct historical precedent on whether the issues of willfulness or innocence would have been decided by a judge or jury in a copyright action tried at law in the 18th century. Given the historical practice in analogous cases, however, it is unthinkable that such basic factual issues affecting the amount of damages to be awarded would have been decided by a judge.

At common law, it was always the province of the jury to find the facts on which a plaintiff's claim rested. See *Dimick*, 293 U.S. at 486. Whether a defendant acted willfully or innocently is a quintessential example of such a jury issue. See, e.g., *Sparf v. United States*, 156 U.S. 51, 94 (1895) (in 18th century homicide prosecutions, question of willfulness was "the proper and only province of the jury") (citation omitted). Perhaps the closest analogy at common law to a claim for willful infringement under Section 504(c) is a claim for punitive damages, which likewise turns in part on whether a defendant's actions were willful or unintentional. It is

beyond dispute that, in claims for punitive damages tried at common law, the question of willfulness or its absence (like all other questions pertaining to the imposition of punitive damages) was for the jury, not the judge. See, e.g., *Milwaukee & St. Paul Ry. v. Arms*, 91 U.S. (1 Otto) 489, 493 (1875); *Wilkes v. Wood*, Lofft. at 19, 98 Eng. Rep. at 498-499. There is no reason to adopt a different rule under Section 504(c).

3. Amount of Damages

The Seventh Amendment also requires that the jury, not the judge, determine the amount of the damages assessed under Section 504(c) if either party so demands. Rendering damage awards was a fundamental role of the jury at common law. See *Lord Townshend v. Hughes*, 2 Mod. 150, 151, 86 Eng. Rep. 994, 994-995 (C.P. 1677) ("[B]y the law the jury are the judges of damages") (North, C.J.); *Cass County*, 88 F.3d at 642 ("the assessment of money damages by a jury is a fundamental component of common-law trial by jury"). In fact, one of the motivations for the Seventh Amendment was the attempt of the colonial governor of New York in 1764 to "re-examine the facts and re-consider the damages" that had been found by a jury in a case—an attempt that produced "a flame of patriotic and successful opposition, that will not be easily forgotten." Letters of Centinel, in 2 Herbert J. Storing, *The Complete Anti-Federalist* 149 (1981) (emphases in original).

For these reasons, this Court, in one of its earliest Seventh Amendment decisions, confirmed that a jury must determine the amount of damages under a statutory claim tried in a court of law. In *Bank of Hamilton v. Dudley's Lessee*, 27 U.S. (2 Pet.) 492 (1829), the Court considered a claim under a statute which provided that certain tenants could not be evicted until they had been compensated for the value of improvements made to the land, but which further provided that the amount of such compensation was to be determined by commissioners appointed by the court. *Id.* at 525. The Court, in a unanimous opinion by Chief Justice Marshall, held that because the case was a "suit at common law," the Seventh Amendment required that a jury, not court-appointed

commissioners, determine the amount of compensation. *Id.* As Marshall explained, after quoting the Seventh Amendment, "[t]he compensation for improvements is an important part of [the controversy], and if that is to be determined at common law, it must be submitted to a jury." *Id.*³⁰

This appreciation that the Seventh Amendment protection extends to the assessment of damages explains this Court's opinion in *Dimick, supra*. There, the Court held that the Seventh Amendment prevents a trial judge from ordering an additur under any circumstances, and allows the judge to order a remittitur only if the plaintiff is given the option of a new trial. The Court's reasoning was clear. Under the English practice prior to the ratification of the Seventh Amendment (except in certain limited situations such as actions for mayhem), a party was "'not to be put off by the Court saying that it will form its opinion as to the proper sum to be awarded,'" but rather was "'entitled to an assessment by a jury which acts properly.'" 293 U.S. at 482 (citation omitted). Thus, allowing the practice of additur would "bring the constitutional right of the plaintiff to a jury trial to an end in respect of a matter of fact which no jury has ever passed upon either explicitly or by implication," and would result in an award made "'partly by a tribunal which has no power to assess.'" *Id.* at 487 (citation omitted). This Court has thus recognized that "the constitutional right * * * to a jury trial" extends to the determination of the amount of damages. See also *Kennon v. Gilmer*, 131 U.S. 22, 29-30 (1889).

Copyright cases were not an exception to this rule. As explained above (see *supra* at 24-30), copyright infringement actions seeking statutory damages (as well as those seeking actual damages) historically were tried before courts of law.

³⁰ See also *McKinnon v. City of Berwyn*, 750 F.2d 1383, 1392 (7th Cir. 1984) ("The Seventh Amendment reserves the determination of damages, in jury trials within its scope, to the jury.") (Posner, C.J.); *Smyth Sales, Inc. v. Petroleum Heat & Power Co.*, 141 F.2d 41, 44 (3d Cir. 1944) ("The guarantee of the Seventh Amendment * * * extends to the award of damages, since at common law the amount of damages was for the jury.").

Not surprisingly, then, available evidence indicates that it was juries, not judges, that assessed the damages prior to the merger of law and equity. See *Backus*, 48 U.S. (7 How.) at 802 (jury awarded statutory damages of \$2,069.75); *Reed*, 20 F. Cas. at 432 (jury awarded statutory damages of \$200); *Millett*, 17 F. Cas. at 375 (jury awarded statutory damages of \$625); *Dwight*, 8 F. Cas. at 185 (jury awarded statutory damages of \$2000); *Hudson & Goodwin*, 1 Root at 134 (jury awarded statutory damages of £100 under Connecticut copyright statute of 1783).

Nor is there any reason to believe that law-court judges would have assumed the fundamental role of assessing damages under a statute authorizing an award from within a range of amounts, as does Section 504(c). In fact, there is even more reason to believe that juries, not judges, would have assessed damages in such situation, for it was precisely when the assessment of damages required an exercise of discretion that juries were deemed indispensable. As this Court held in *Dimick*, "the common law rule as it existed at the time of the adoption of the Constitution" was that "'in cases where the amount of damages was uncertain, their assessment was a matter so peculiarly within the province of the jury that the Court should not alter it.'" 293 U.S. at 480 (citation omitted). See *Barry v. Edmunds*, 116 U.S. 550, 565 (1886) ("[W]here no precise rule of law fixes the recoverable damages, it is the peculiar function of the jury to determine the amount by their verdict.").

It was thus the fundamental role of the jury to determine uncertain damages, and this was so regardless of whether the damages were intended as compensation for inherently unquantifiable injuries (such as pain and suffering or damage to reputation)³¹ or as punitive damages. As the Court explained with respect to punitive damages in *Missouri Pac. Ry. v. Humes*, 115 U.S. 512, 521 (1885), "the discretion of

³¹ See *Scott v. Shepard*, 2 Wils. 403, 95 Eng. Rep. 1124 (K.B. 1773) (upholding jury award of damages for pain and suffering); *Lord Townshend, supra* (upholding jury award for damages for defamation).

the jury in such cases is not controlled by any very definite rules; yet the wisdom of allowing such additional damages to be given is attested by the long continuance of the practice." See *Barry*, 116 U.S. at 565 (Where plaintiff seeks punitive damages, it is impermissible "for the court to substitute itself for the jury, and compel a compliance on the part of the latter with its own view of the facts in evidence, as the standard and measure of that justice, which the jury itself is the appointed constitutional tribunal to award.").³²

As explained above, damages under Section 504(c) serve essentially the same role as common-law awards of compensatory and punitive damages. See *supra* at 30-34. They are intended to compensate the copyright holder as well as to punish and deter, and, like compensatory and punitive damages (in their traditional form), are paid entirely to the plaintiff. In such circumstances, historical practice compels the conclusion that such damages would have been assessed by juries in pre-merger actions tried in courts of law.³³

³² See also *Tull*, 481 U.S. at 428 ("[P]unitive damages are assessed by a jury when liability is determined in that fashion.") (Scalia, J., dissenting); *Wilkes*, Lofft at 19, 98 Eng. Rep. at 498-499 (same); *Huckle v. Money*, 2 Wils. 206, 206-207, 95 Eng. Rep. 768, 768-769 (K.B. 1763) (court refused to "intermeddle" in jury's award of punitive damages because "the law has not laid down what shall be the measure of damages in actions of tort; the measure is vague and uncertain, depending on a vast variety of causes, facts, and circumstances").

³³ For all these reasons, there can be no contention that the awarding of statutory damages under Section 504(c) is beyond "the practical abilities and limitations of juries," an additional factor the Court has considered in the Seventh Amendment inquiry. *Ross v. Bernhard*, 396 U.S. at 538 n.10. See *Granfinanciera*, 492 U.S. at 42 n.4; *Tull*, 481 U.S. at 418 n.4; *Atlas Roofing Co. v. Occupational Safety & Health Review Comm'n*, 430 U.S. 442, 454-455 (1977). As shown, juries have routinely awarded discretionary damages (under proper instructions and subject to appropriate judicial review) since long before ratification of the Seventh Amendment.

This case is therefore unlike the question before the Court with respect to the amount of penalties payable to the government in *Tull*. In that case, the Court created a limited exception to the general rule that legal damages are to be assessed by a jury, in circumstances where the government seeks to enforce civil penalties to further a complex regulatory scheme.³⁴ Thus, the dissent in that case characterized the Court as having made an "exception" to the jury's fundamental role in assessing damages in cases "where the Government is imposing a noncompensatory remedy to enforce direct exercise of its regulatory authority." 481 U.S. at 428 (Scalia, J., dissenting). While the Court in *Tull* did not explain the historical analogy on which this part of its decision rested, the Court apparently analogized the imposition of civil penalties under the Clean Water Act payable to the government to "the role of the sentencing judge in a criminal proceeding." *Id.*³⁵

This case, by contrast, involves sums intended to serve the traditional function of compensatory and punitive damages. They are paid directly to the plaintiff, not the government. Nor is there any indication, as in *Tull*, that Congress specifi-

³⁴ The Court's discussion of this issue in *Tull* was in fact *dicta* because, in light of the Court's reversal of the lower court's liability determination, any discussion of the role of the judge in assessing damages was not essential to the Court's disposition of the case.

³⁵ The Court in *Tull* also noted that it "ha[d] been presented with no evidence that the Framers meant to extend the right to a jury to the remedy phase of a civil trial." 481 U.S. at 426 n.7. The lack of such evidence before the Court may have been attributable to the fact that the briefing in the case focused almost exclusively on the right to a jury trial on the issue of liability, with almost no attention paid to the question of such a right with respect to the amount of any penalty. As noted, the reversal on liability made it unnecessary to address the latter issue. The authorities set forth above, including most prominently this Court's opinion in *Dimick*, make quite clear that preservation of the jury's traditional role in assessing damages is in fact a critical component of the Seventh Amendment right, at least with respect to damages actions between private parties.

cally intended for statutory damages to be assessed by judges in order to help implement a complex regulatory scheme, *id.* at 425—and every reason to conclude that it did not, *see supra* at 10-21. In another context, the Court has stressed that, under early English practice, “the dichotomy between fines and damages was clear,” and that punitive damages paid to an injured party were never considered analogous to civil fines of the sort at issue in *Tull. Browning-Ferris Industries of Vermont, Inc. v. Kelco Disposal, Inc.*, 492 U.S. 257, 265 n.7 & 264-277 (1991). That distinction applies as well under the Seventh Amendment. Whatever the permissible role for judges in assessing quasi-criminal fines paid solely to the government under environmental statutes, there is no precedent for usurping the traditional role of the jury in assessing the damages paid to a prevailing private party at issue here. *See* Alan Howard Scheiner, *Judicial Assessment of Punitive Damages, the Seventh Amendment, and the Politics of Jury Power*, 91 Colum. L. Rev. 142, 209-212 (1991).

CONCLUSION

For the foregoing reasons, the judgment of the Court of Appeals should be reversed.

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No. 96-1768

Supreme Court, U. S.

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IN THE
Supreme Court of the United States
- OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,
Petitioner,
v.

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

BRIEF OF RESPONDENT

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QUESTIONS PRESENTED

(1) Whether, following a district court's summary judgment determination of liability for copyright infringement, 17 U.S.C. § 504(c) permits or requires that a jury, rather than the district court judge, exercise discretion to determine the award of Statutory Damages within the limits established by Congress.

(2) Whether, following a district court's summary judgment determination of liability for copyright infringement, the Seventh Amendment to the United States Constitution entitles the defendant to have a jury, rather than the district court judge, exercise discretion to determine the award of Statutory Damages within the limits established by Congress in 17 U.S.C. § 504(c).

STATEMENT PURSUANT TO RULE 29.6

Sony Corporation is the corporate parent of Respondent Columbia Pictures Television, Inc. Columbia Pictures Television, Inc. does not have any nonwholly owned subsidiaries.

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1997

No. 96-1768

C. ELVIN FELTNER, JR.,
v. *Petitioner,*

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

BRIEF OF RESPONDENT

STATEMENT OF THE CASE

Case Background

Petitioner, C. Elvin Feltner, Jr. ("Feltner") is the owner of Krypton International Corporation, which in turn owns three corporations, each of which owns and operates a television station in the southeastern United States. Feltner is also the chief executive officer and chief operating officer of each of the three television stations.

In December 1991, respondent, Columbia Pictures Television, Inc. ("Columbia"), sued Feltner and the stations on various legal theories, including copyright infringement, based upon the stations' continuing broadcast of Columbia's television series "WHO'S THE BOSS?," "SILVER SPOONS," "HART TO HART," and "T.J.

HOOKER," after Columbia terminated its license agreements with the stations for non-payment of monthly license fees. When Columbia terminated its license agreements in October 1991, all three stations were between 150 and 365 days delinquent on their monthly license fee payments. More than \$2 million was past due.

In December 1992, Columbia moved for partial summary judgment as to Feltner's liability for copyright infringement. The District Court granted the motion, finding Feltner:

... is liable, under the doctrines of vicarious copyright infringement and contributory copyright infringement, for Six Hundred Sixty Four (664) separate infringements of Columbia's copyrighted works "WHO'S THE BOSS?", "SILVER SPOONS", "HART TO HART", "T.J. HOOKER" on the dates set forth in Columbia's [Proposed] Statement of Undisputed Facts. The amount of damages with respect to the aforesaid infringements shall be determined at trial.

Cert. Pet. App. at 25a-26a.

The Court of Appeals affirmed the summary judgment ruling, finding that: (1) Columbia's license termination was proper; (2) notwithstanding any continuing payment negotiations with Columbia, Feltner could not reasonably interpret Columbia's actions as anything but termination—Columbia's termination of the licensing agreements on October 17, 1991 "was clear and unequivocal;" and (3) Feltner's defenses—which were all based on Columbia's alleged 1990 promise to restructure payments for one of the stations—failed to raise triable issue of fact and therefore failed as a matter of law. Cert. Pet. App. at 5a-9a & 22a (The Ninth Circuit's opinion is officially reported at 106 F.3d 284 (9th Cir. 1997).) Feltner has not sought, nor has this Court granted, review of these rulings.¹

¹ Feltner misstates the facts by claiming that "Columbia purported to terminate the licensing agreement" and that he continued

After summary judgment on liability was granted, Columbia dropped all claims, except its copyright infringement claim against Feltner, and elected Statutory Damages. Over Feltner's objection, the District Court ruled that all issues relating to the amount of Statutory Damages be tried to the court, and not a jury.

Prior to trial on Statutory Damages, Columbia and Feltner, by stipulation, expanded and refined the District Court's summary judgment finding of "664 separate infringements" by adding broadcasts which post-dated the filing of the summary judgment motion and by identifying the specific series episodes broadcast by each station on each date. Second Amended Pretrial Order, lodged 2/25/94, entered 3/2/94 ("Pretrial Order") at ¶ 6 & pp. 19-43.² The parties stipulated that between October 1991 and June 1993, the three television stations caused: (1) 984 infringing broadcasts of Columbia's programs; (2) a total of 440 episodes to be broadcast (if stations WNFT and WTVX were considered separate infringers). *Id.*³

to broadcast Columbia's programs "relying on ongoing negotiations." Br. of Pet'r at 3 (emphasis added). The District Court found, and the Ninth Circuit affirmed, that Columbia's termination was not only "proper," but also "clear and unequivocal" and that Feltner's reliance on any on-going negotiations was "unreasonable." Cert. Pet. App. at 22a.

² This document appears chronologically, but unnumbered, in the Record.

³ Feltner's statement that the question of "number of infringements" "remained for trial" Br. of Pet'r at 37-38, 39-40, is incorrect. The only question which remained at trial was, not the number of infringing broadcasts (i.e., *infringements*), but the number of copyrighted works infringed by each infringer. This issue turned on two questions: (1) whether each episode of a television series was a separate work (which therefore would support a separate award of Statutory Damages); and (2) whether WNFT and WTVX (which broadcast many of the same episodes of "WHO'S THE BOSS?") would be treated as two separate infringers (thereby supporting a separate Statutory Damage award

Prior to the trial, both Feltner and Columbia briefed the issue relating to the number of separate Statutory Damages awards which were appropriate under Section 504(c) based upon the stipulated facts. Both parties labeled this issue a "legal" question. Pl.'s Trial Br. (J.A. 13) at 1, 8-11; Defs.' Mem. of Contentions of Fact & Law of 2/9/94 (R. 263) at 9, 13-22. At the outset of the trial (prior to hearing any testimony), the District Court ruled that each episode was a separate work and that WNFT and WTVX were separate infringers. Thus, based upon the stipulated facts and these two rulings of law, the stations had infringed 440 works (supporting 440 separate awards of Statutory Damages). Trial Tr. of 3/15/94 (J.A. 13) at 10.

Following a bench trial, the District Court found that: (1) based upon Columbia's termination notices (which it had found to be "clear and unequivocal" on summary judgment), Feltner should have been "on notice that his continued broadcasts . . . [were] infringing;" (2) Feltner was repeatedly warned by Columbia and Feltner's own employees that the continued broadcasts were infringing; (3) Feltner's belief that the lawsuit was merely a collection tactic over a billing dispute was unreasonable given "Feltner's extensive experience in the business world" and Columbia's cessation of monthly billing and shipping new episodes ("defendant's [Feltner's] failure to send even a small payment on any of the license agreements [after termination] . . . belies defendant's claim that he thought termination was a mere billing dispute"); and (4) "over 94% of the episodes infringed (415 of 440 episodes) were broadcast after the Complaint . . . was filed. . . ." ⁴ Cert. Pet. App. at 22a-23a; J.A. 14-15.

against each for the broadcast of the same episode). Defs.' Mem. of Contentions of Fact and Law of 2/9/94 (R. 263) at 13-22; Pl.'s Trial Br. (J.A. 13) at 1, 8-11.

⁴ This percentage was based on the parties' stipulation. Pretrial Order at ¶ 6 & pp. 19-43. The stations continued these infringing broadcasts until June 1993—eighteen months after the Complaint

Based upon these findings, the District Court found Feltner's conduct "willful" and awarded \$20,000 for each of the 440 works infringed (\$20,000 being the maximum amount the District Court could award *without* finding "willfulness" and *with* a finding that the infringements were "innocent"). 17 U.S.C. § 504(c). Subsequently, the District Court also awarded Columbia over \$750,000 in costs and attorneys' fees. Cert. Pet. App. at 23a; J.A. 14-15.

The Ninth Circuit affirmed the District Court's rulings (other than costs and attorneys' fees) in all respects, including the two questions on which the District Court based its finding that 440 separate works had been infringed (and therefore that Columbia was entitled to 440 separate awards of Statutory Damages). On the first question of whether each episode was a separate work, the Ninth Circuit held—based upon undisputed facts—that "this case comes squarely within the holdings of *Gama Audio* and *Twin Peaks*" (which hold that each episode was a separate work).⁵ On the second question, the Ninth Circuit held that the two stations which broadcast the same episodes of "WHO'S THE BOSS?" were separate infringers because: (i) "Feltner has not presented sufficient facts to develop a judicial estoppel argument;" and (ii) the fact that Feltner was jointly and severally liable for copyright infringement with each of the stations "does not convert the stations' separate infringements into one." Cert. Pet. App. at 14a-15a.

The Ninth Circuit, relying on *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977), held that Feltner was not entitled to a jury trial on the amount of statutory damages under Section 504(c) of the Copyright Act—either as a matter

was filed and seven months after Columbia moved for summary judgment on Feltner's liability for copyright infringement. *Id.*

⁵ Cert. Pet. App. at 16a. See *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106 (1st Cir. 1993); *Twin Peaks Prods. v. Publications Int'l*, 996 F.2d 1366 (2d Cir. 1993).

of statutory interpretation or Constitutional right. Cert. Pet. App. at 11a-12a. The Ninth Circuit, however, recognized the three different views among the Courts of Appeals as to a defendant's Seventh Amendment right to a jury trial: (i) the Second, Fifth and Eleventh (together with the Ninth) Circuits have held that there is no Constitutional right to a jury trial on any aspect of a Statutory Damages claim;⁶ (ii) the Fourth and Eighth Circuits have held that the Seventh Amendment requires that all aspects of a Statutory Damages claim be tried to a jury;⁷ and (iii) the Seventh Circuit has held that all factual issues (including whether the infringement is "willful" or "innocent") be tried to a jury, but the assessment of Statutory Damages within the appropriate statutory range is for the court.⁸ Cert. Pet. App. at 12a.

Feltner has not sought review of the Ninth Circuit's rulings with respect to any issues except the right to a jury trial for Statutory Damage awards under Section 504(c) of the Copyright Act of 1976.

Statute at Issue

Section 504(c) of the Copyright Act of 1976, 17 U.S.C. § 504(c), governs Statutory Damages for copyright infringement.⁹ As an initial matter, Congress labeled

⁶ *Cable/Home Communication v. Network Prods., Inc.*, 902 F.2d 829, 852-53 (11th Cir. 1990); *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); *Sid & Mary Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977). The First Circuit also shares that view. *Chappell & Co. v. Palermo Café Co.*, 249 F.2d 77, 79-80 (1st Cir. 1957).

⁷ *Cass Country Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996); *Gnosnos Music v. Mitken, Inc.*, 653 F.2d 117, 119-21 (4th Cir. 1981).

⁸ *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1014-16 (7th Cir.), cert. denied, 502 U.S. 861 (1991).

⁹ Section 504 is set forth in its entirety in the Appendix, as are remedy provisions of United States copyright statutes back to and including the 1790 Act.

this remedy "Statutory Damages," and Columbia uses that phrase as the term of art coined by Congress. Feltner, on the other hand, uses the term "statutory damages" to refer to any damages authorized by a statute. The difference reflects more than nomenclature.¹⁰

The Statutory Damages established in Section 504(c) have at least five distinctive characteristics.¹¹

First, Statutory Damages are available only as an alternative to the actual damages and profits authorized in Section 504(b)—not as an enhancement to, or minimum guarantee of, an actual damages award. Other federal statutes protect intellectual property and other rights by allowing departure from actual damages only to increase those damages in appropriate circumstances, either through a specified multiplier or through punitive damages. See, e.g., 35 U.S.C. § 284 (authorizing actual damages in an amount no "less than a reasonable royalty," plus interest and costs, and the court may treble actual damages for patent infringement).

Second, the copyright owner is authorized to elect Statutory Damages rather than recovery of actual dam-

¹⁰ Indeed, Feltner's use of this term is misleading as well as inaccurate because it assumes resolution of the very issue before the Court by equating "Statutory Damages" under Section 504(c) with the civil penalties provided by statutes prior to the 1976 and 1909 Copyright Acts. Neither Congress in these prior statutes nor courts interpreting that statutory language—including this Court—have used the term "statutory damages" to refer to these pre-1909 penalties. Such a generic reference, moreover, fails to distinguish between types of damages authorized under the same statute, such as the actual damages and profits provided in Section 504(b) and the alternative "Statutory Damages" established in Section 504(c). Under Feltner's nomenclature, both Sections 504(b) and 504(c) are "statutory damages."

¹¹ Since the passage of the 1976 Act, Congress has established variations on Statutory Damages as a remedy for infringement of other types of intellectual property, but these statutes often vary significantly from Section 504(c). See 15 U.S.C. § 1117(a) & (c) (1996) (trademark infringement); 17 U.S.C. § 911(c) (1984) (infringement of semiconductor chips).

ages "at any time before final judgment." This provision is unique both for who may make the election and when the election can be made. Rather than a judicial and/or jury determination of an appropriate remedy based solely on the pleadings and factual record as is the case in other types of claims, the copyright owner in an infringement action may unilaterally select among two mutually exclusive remedies. That election, moreover, is not required when the complaint is filed or even prior to trial but may be made *at any time* up until the court renders its final judgment, including after a jury has rendered its verdict on actual damages and been dismissed.

Third, Congress has imposed express limitations on the amount of Statutory Damages, creating a wide range within which the award must fall. Section 504(c)(1) provides an initial range of "not less than \$500 nor more than \$20,000" per work infringed—a range in which the highest level is 40 times the lowest amount (the "Initial Range"). A court finding of willfulness ("willful infringement") may increase the maximum award to \$100,000 (200 times the minimum). A finding that the "infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright ("innocent infringement")," on the other hand, authorizes the court to decrease the minimum award to \$200, resulting in a range where the maximum possible award is 100 times the minimum. 17 U.S.C. § 504(c)(1). Other federal civil statutes establish no such ranges, rarely limiting damages available to injured parties—and then only to guarantee a minimum recovery. *See, e.g.*, 35 U.S.C. § 284 (authorizing minimum recovery of compensatory damages for patent infringement representing no "less than a reasonable royalty" plus interest and costs).

Fourth, other than determinations of "willful" or "innocent" infringement, the statute provides no guidelines or criteria for assessing the amount of damages within the applicable range. The statute grants the court the *discretion* (but not the obligation) to expand the Initial Range upward to a maximum of \$100,000 for each work

infringed by each willful infringer, or downward to a minimum of \$200 for innocent infringement. Thus, findings of "willfulness" or "innocence" may have no effect on the final Statutory Damages award. The court retains the discretion to assess the damages award anywhere within the Initial or expanded ranges. Here, for example, the District Court found that Feltner's infringement of Columbia's copyrighted works was "willful" but nevertheless did not exercise its discretion to increase the Initial Range. Rather, the court awarded Statutory Damages of \$20,000 per work infringed—the maximum permitted for *nonwillful* infringement. *Cert. Pet. App.* at 23a.

Fifth and finally, the statute precludes an award of Statutory Damages if the infringer is a nonprofit educational or public broadcasting entity or representative and "believed and had reasonable grounds for believing that his or her use of the copyright was a fair use." The copyright owner may be no less damaged by such infringements, but Congress has determined that public policy is best served by precluding an award of Statutory Damages under such circumstances. Congress has taken an additional step for such defendants and shifted the burden of proof from the infringer to the copyright owner. Good faith is presumed, forcing the copyright owner to bear the burden to prove the infringer did not actually believe that its use of the work was a fair use. H.R. Rep. No. 94-1476, at 163 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5779. Other federal civil statutes do not preclude an award of damages based on the identity of the defendant. The statute at issue before the Court thus presents the Court with a unique remedy.

SUMMARY OF ARGUMENT

Congress created Statutory Damages in 1909 as a means of enabling judges to exercise discretion within prescribed limitations to remedy copyright infringement in circumstances when actual damages and lost profits are inadequate. The statute allows the court to balance multi-

ple competing interests—including compensation to the copyright owner, deterrence of future infringements, vindication of the statutory policy, and the identity and culpability of the infringer—to fashion an award that is fair to all parties, not solely compensatory to a copyright owner who can prove the existence and extent of economic loss. Statutory Damages thus are not just any form of monetary relief authorized by statute, as Feltner uses the term, but are a specific alternate remedy authorized by Congress to accommodate and promote the goals of the Copyright Act. Neither Congress nor the Constitution requires that such relief be determined and awarded by a jury.

Nothing in the language or legislative history of the Copyright Act of 1976 in general, or 17 U.S.C. § 504(c) in particular, indicates any intent to authorize a jury assessment of Statutory Damages. To the contrary, the ordinary meaning of the statutory language demonstrates Congressional intent to enable only the judge to make such an award. The ordinary legal meaning of “court” is synonymous with “judge,” and Congress consistently uses the terms “court” and “court in its discretion” throughout the statute in a context that unquestionably refers to the judge and judicial functions. No court has interpreted the 1976 Act to allow a jury determination of Statutory Damages, and this Court has construed the Congressionally-authorized discretion to assess such damages as necessarily judicial. The statute, therefore, authorizes only judges, exercising judicial discretion, to award Statutory Damages.

The Seventh Amendment to the United States Constitution also does not require a jury determination of Statutory Damages. Such a remedy is equitable by its nature, and as awarded in this case, is properly within the province of the judge. Statutory Damages have no historical precedent prior to the Twentieth Century. The sole legal remedy available for infringement of a published copy-

righted work under the 1790 Act—and the principal remedy for a century thereafter—was a per-copy civil penalty in an amount fixed by Congress, half of which was paid to the government. This historical remedy bears no resemblance to Statutory Damages. Statutory Damages were created in the Copyright Acts of 1909 and 1976 as an alternative to actual damages and are assessed by the court in the exercise of its discretion, within prescribed ranges, and paid entirely to the copyright owner. Such a quintessentially equitable remedy—which is not dependent on proof of injury or findings of outrageous conduct and may be less than compensatory under appropriate circumstances—is not within the purview of the Seventh Amendment’s jury trial requirements.

ARGUMENT

I. THE COPYRIGHT ACT PLAINLY REQUIRES THAT STATUTORY DAMAGES BE AWARDED EXCLUSIVELY THROUGH THE EXERCISE OF JUDICIAL DISCRETION.

“Before initiating the inquiry into the applicability of the Seventh Amendment, ‘[w]e recognize, of course, the “cardinal principle that this Court will first ascertain whether a construction of the statute is fairly possible by which the [Constitutional] question may be avoided.”’” *Tull v. United States*, 481 U.S. 412, 417 n.3 (1987) (quoting *Curtis v. Loether*, 415 U.S. 189, 192 n.6 (1974)).¹² Nothing in the language or legislative history

¹² Feltner misconstrues the Court’s inquiry by placing undue emphasis on the phrase “fairly possible.” As this Court’s prior decisions make clear, the Court engages in an analysis of the statutory language—and if that language is ambiguous, in a review of the legislative history—according to well-accepted principles of statutory construction. The Court may avoid the Constitutional question only if it finds Congressional intent to construe the statute in a manner that would avoid that issue. See, e.g., *Tull*, 481 U.S. at 417 n.3 (“Nothing in the language of the Clean Water Act or

of Section 504(c) or the Copyright Act as a whole implies any Congressional intent to provide a jury determination of Statutory Damages. To the contrary, the ordinary meaning of the statutory language demonstrates Congressional intent to authorize only the trial judge to award Statutory Damages. Accordingly, the Court cannot avoid but "must answer the Constitutional question presented." *Id.*

A. The Language of the Statute Demonstrates Congressional Intent to Preclude Jury Assessment of Statutory Damages.

Statutory construction begins "with the language of the statute." *Bailey v. United States*, 116 S. Ct. 501, 506 (1995). Where the statutory language is unambiguous or its meaning plain, the inquiry ends. *United States v. Ron Pair Enters.*, 489 U.S. 235, 241 (1989). "The plainness or ambiguity of statutory language is determined by reference to the language itself, the specific context in which the language is used, and the broader context of the statute as a whole." *Robinson v. Shell Oil Co.*, 117 S. Ct. 843, 846 (1997). The words used by Congress must be given their "ordinary or natural meaning," and the Court will "consider not only the bare meaning of the word but also its placement and purpose in the statutory scheme." *Id.* More specifically, "where words are employed in a statute which had at the time a well-known meaning at common law or in the law of this country they are presumed to have been used in that sense unless the context compels to the contrary." *Standard Oil Co. v. United States*, 221 U.S. 1, 59 (1911).

its legislative history implies any congressional intent to grant defendants the right to a jury trial during the liabilities or penalty phase of the civil suit proceedings"). The Court's use of the term "fairly possible," therefore, neither directs nor implies a diluted statutory construction analysis to avoid consideration of Constitutional issues.

Section 504(c) of the Copyright Act provides for Statutory Damages "in a sum not less than \$500 or more than \$20,000 as the court considers just." 17 U.S.C. § 504 (c)(1) (emphasis added). The "court in its discretion" may increase the range to \$100,000 upon a finding of willfulness, or the "court i[n] its discretion" may decrease the range to \$200 for innocent infringement. *Id.* § 504 (c)(2) (emphasis added). Congress' use of the terms "court" and "court in its discretion" unambiguously demonstrates an intent to authorize only the judge to award Statutory Damages. This Court has repeatedly recognized, both expressly and impliedly, that the words "court" and "judge" "have been used interchangeably." *In re United States*, 194 U.S. 194, 196 (1904); see, e.g., *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1387 (1996) (holding "that the construction of a patent . . . is exclusively within the province of the court," i.e., the judge). Congress also habitually uses "court" and "judge" interchangeably—indeed, Congress often contrasts "jury" with "court." See, e.g., 35 U.S.C. § 284 (establishing in the context of patent infringement that "[w]hen the damages are not found by a jury, the court shall assess them").

Congress' use of the terms "court" and "court in its discretion" in the context of the statute further solidifies Congressional intent to authorize only judicial discretion in the award of Statutory Damages. Every other reference to "court" in the Copyright Act chapter governing infringement and remedies (Chapter 5) unquestionably refers to the judge.¹⁸ The only other reference to "court

¹⁸ See 17 U.S.C. § 502 (the "court . . . may . . . grant temporary and final injunctions"); *id.* § 503 ("the court may order the impounding . . . of all copies" and "[a]s part of a final judgment or decree, the court may order the destruction or other reasonable disposition of all copies"); *id.* § 505 ("the court in its discretion may allow the recovery of full costs" and "the court may also award reasonable attorney's fee"); *id.* § 506(b) ("the court in its judgment of conviction shall, in addition to the penalty therein prescribed, order the forfeiture and destruction or other disposition

in its discretion" in Chapter 5 is in the context of an award of costs and attorneys' fees—the exclusive province of the trial judge. 17 U.S.C. § 505. In sharp contrast, the statute scrupulously avoids the use of the term "court" in connection with an award of actual damages. *See id.* § 504(b).

No court that has construed the 1976 Act has concluded that Congress intended to allow a jury determination of Statutory Damages. Even the minority of courts that believe the Seventh Amendment requires such a jury determination agree that the Copyright Act is not susceptible of an interpretation that would avoid the Constitutional question. *See, e.g., Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635, 641 (8th Cir. 1996). Courts reviewing the Congressionally authorized discretion to award Statutory Damages, moreover, have concluded that such discretion can only be exercised properly by judges. *See, e.g., Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1177-78 (9th Cir. 1977); *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D. Del. 1990). As this Court observed in the context of the predecessor of Section 504(c) (Section 25(b) of the Copyright Act of 1909), "[t]he necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of the wide judicial discretion within limited amounts conferred by this statute." *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952) (emphasis added). Congress unambiguously established such exclusive judicial discretion in Section 504(c).

of all infringing copies"); *id.* § 508 (requiring clerks to provide Register of Copyrights with "a copy of the order or judgment together with the written opinion, if any, of the court"); *id.* § 510(b) (providing in the context of cable systems, "the court may decree that . . . the cable system shall be deprived of the benefit of a compulsory license").

The need for exclusively judicial discretion is underscored by Congress' authorization to copyright owners to elect Statutory Damages "at any time before final judgment is rendered" 17 U.S.C. § 504(c). Courts consistently interpret this authorization as enabling the copyright plaintiff to elect Statutory Damages even after a jury has returned a verdict on liability and an award of actual damages. *See, e.g., Jordan v. Time, Inc.*, 111 F.3d 102 (11th Cir. 1997); *Glazier v. First Media Corp.*, 532 F. Supp. 63, 68 (D. Del. 1982). This provision demonstrates Congressional intent to provide a judicially determined remedy as an alternative to actual damages assessed by the jury. Congress is not reasonably likely to have intended that a jury—having just made an actual damages determination based on evidence of the existence and extent of economic injury to the plaintiff and economic benefit to the defendant—would be required to reassemble after having been dismissed and to disregard their prior award and develop a different award, using entirely different (and unspecified) criteria. That result would defy common sense, as well as the ordinary meaning of the statutory language. Statutes are not susceptible of such an interpretation. *See, e.g., United States v. X-Citement Video, Inc.*, 513 U.S. 64, 69 (1994). Congress, therefore, unambiguously intended that judges, rather than juries, assess Statutory Damages.

Feltner disagrees, contending that the word "court" generally includes judge and jury as understood in the "common parlance" reflected in two dictionary definitions. Such a position is fundamentally flawed. "Court" is a legal term, not simply a word of "common parlance" in the English language. "Rather than using terms in their everyday sense, '[t]he law uses familiar legal expressions in their familiar legal sense.'" *Bradley v. United States*, 410 U.S. 605, 609 (1973) (quoting *Henry v. United States*, 251 U.S. 393, 395 (1920)). The well-established familiar legal sense of the term "court" is

"judge," as discussed above, and the dictionaries Feltner quotes do not even purport to define "court" in its familiar legal sense.¹⁴ Feltner cannot overcome the familiar legal understanding that the word "court" refers to judges—much less Congress' consistent use of the term in that manner in the Copyright Act—by quoting general colloquial dictionary definitions.

Nor has this Court ever found that statutory references to "court" or "court in its discretion" reflect Congressional intent to guarantee a jury determination. Feltner attempts to rely on *Curtis v. Loether*, 415 U.S. 189 (1974), but the Court in that case expressly did not reach the issue of statutory interpretation. The Court recognized that its first obligation was to ascertain whether the Constitutional issue may be avoided but nevertheless found in that case that "the necessity for jury trial is so clearly settled by our prior Seventh Amendment decisions that it would be futile to spend time on the statutory issue" *Id.* at 192 n.4. The Court did not even discuss, much less express any opinion on, the use of "court" in the statute. The Court's observation that "[b]oth petitioner and respondents have presented plausible arguments from the wording and construction" of the statute thus indicates nothing more than the existence of a legitimate legal issue and, as this Court has frequently stated, that statutory terms must be evaluated in context with the express purpose of divining Congressional intent.

Feltner's reliance on *Lorillard v. Pons*, 434 U.S. 575 (1978), is similarly misplaced. The Court in that case never concluded that the term "court" includes a jury.

¹⁴ Feltner also selectively quotes from the very dictionaries he cites. Included among the many definitions in both of these dictionaries are definitions that equate "court" and "judge," while neither makes any reference to the inclusion of a jury. See Webster's Third New International Dictionary 522 ("a judge or judges sitting for the hearing or trial of cases"); Webster's Ninth New Collegiate Dictionary 299 ("a judge or judges in session").

To the contrary, the primary ground on which the Court concluded that the Age Discrimination in Employment Act ("ADEA") provided for a jury trial was Congress' express "directive that the ADEA be enforced in accordance with the 'powers, remedies, and procedures' of the FLSA [Fair Labor Standards Act]," and "it was well established that there was a right to a jury trial in private actions pursuant to the FLSA." *Id.* at 580 (quoting 29 U.S.C. § 626(b)) (emphasis added by the Court). The Court "buttressed" this conclusion with "an examination of the language Congress chose to describe the available remedies under the ADEA." *Id.* at 583. The Court ignored the single reference to "court" and focused entirely on the repeated use of the term "legal" in the remedial provisions:

Section 7(b), 29 U.S.C. § 626(b), empowers a court to grant "legal or equitable relief" and § 7(c), 29 U.S.C. § 626(c) authorizes individuals to bring actions for "legal" or equitable relief" (emphasis added). The word "legal" is a term of art: In cases in which legal relief is available and legal rights are determined, the Seventh Amendment provides a right to jury trial. . . . We can infer, therefore, that by providing specifically for "legal" relief, Congress knew the significance of the term "legal," and intended that there would be a jury trial on demand to "enforc[e] . . . liability for amounts deemed to be unpaid minimum wages or unpaid overtime compensation.

Id. (emphasis in the original) (quoting 29 U.S.C. § 626(b)). The Court's decision in *Lorillard* thus stands only for the uncontested proposition that a cause of action for legal relief must be tried to a jury and that Congress, by referencing another statute that provided for jury trials and by using the term "legal relief" in the ADEA, expressed an intent to provide a jury trial to enforce legal liabilities arising under the ADEA.

The statutory language in the 1976 Copyright Act in general, and in Section 504(c) in particular, bears no relationship to the language before the Court in *Curtis* or *Lorillard*. Congress did not empower the "court" to award "legal" relief in actions for copyright infringement, nor did Congress even use the term "court" in connection with an award of actual damages under Section 504(b). Rather, Congress authorized, as an alternative to actual (*i.e.*, legal) damages, a remedy that necessitates the exercise of discretion not only to award undefined damages within a statutory range, but to expand that range under certain circumstances at the court's option—a discretion that this Court has characterized as necessarily judicial.¹⁵ Section 504(c), therefore, unambiguously precludes a jury determination of Statutory Damages.

B. Other Means of Ascertaining Congressional Intent Do Not Contradict the Statutory Language.

"Legislative history is irrelevant to the interpretation of an unambiguous statute." *Davis v. Michigan Dept. of Treasury*, 489 U.S. 803, 808 n.3 (1989). The language of Section 504(c), particularly when viewed in the context of the Copyright Act as a whole (and contrasted with 504(b)), requires that the judge, rather than the jury, must exercise discretion to assess Statutory Damages. Proceeding from the false predicate that Section 504(c) is facially ambiguous, Feltner unsuccessfully attempts to use other aids to statutory construction to support his position.

¹⁵ See *F.W. Woolworth*, 344 U.S. at 232; *Douglas v. Cunningham*, 294 U.S. 207, 209-10 (1935). Feltner contends that providing for discretion does not, standing alone, preclude a jury determination, but the proper inquiry is not to consider terms in isolation. Rather, the Court reviews "discretion," like "court," in the context of its usage in the statute. Congress consistently uses "court" and "court in its discretion" throughout the Copyright Act to refer exclusively to judicial functions and judicial discretion, demonstrating an unambiguous intent to authorize judges alone to award Statutory Damages.

The scant legislative history and events leading up to enactment of the 1976 Copyright Act, however, fail to shed any meaningful, much less decisive, light on the issue before the Court.

The legislative history of the Copyright Act of 1976 does not directly address the issue before the Court, but the House Committee on the Judiciary Report describes Section 504(c) in the same terms as those used in the statute itself: as the obligation of the court, *i.e.*, the judge. See, *e.g.*, H.R. Rep. No. 94-1476, at 162 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5778 ("the plaintiff's election to recover statutory damages may take place at any time during the trial before the *court* has rendered its final judgment") (emphasis added); see generally *id.* at 161, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5777 (describing the basic goals of Section 504 in similar terms).¹⁶

Judicial interpretation of the prior law is also inconclusive, but is more inclined to support, rather than contradict, the statutory language. Few courts addressed whether the prior law (the Copyright Act of 1909) provided a jury determination of Statutory Damages (then known as "in lieu of" damages), and those courts were divided on the issue.¹⁷ This Court had not considered the

¹⁶ Feltner cites a single reference in this report to support his position that the legislative history uses the term "court" to include juries. In that provision, the House Committee states that the statute limits recovery of profits to those attributable to the copyrighted work and requires the "court" to make an apportionment among such profits and unrecoverable profits caused by different factors. A determination of recoverability of profits, however, is a question of law, and the Committee Report states nothing more than the court's legal responsibility to exclude profits not attributable to copyright infringement. At best, the use of "apportionment" is ambiguous, and it does not impact Congress' use of "courts" in either the Copyright Act or the remainder of the legislative history.

¹⁷ See *Chappell & Co. v. Palermo Café Co.*, 249 F.2d 77, 79-80 (1st Cir. 1957) (no right to jury trial); *Shapiro, Bernstein & Co. v. 4636 S. Vermont Avenue, Inc.*, 367 F.2d 236, 239-40 (9th Cir. 1966) (adopting district court conclusion that Statutory Damages

issue directly, but had characterized the remedy as necessarily requiring the exercise of judicial discretion. See *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952); *Douglas v. Cunningham*, 294 U.S. 207, 209-10 (1935). Congress, moreover, revisited Section 504(c) in 1988, revising the ranges within which an award of Statutory Damages may be assessed but making no other changes, despite additional judicial decisions uniformly interpreting the statute as not giving rise to a jury determination of Statutory Damages. Pub. L. 100-568, § 10(b), 102 Stat. 2860 (1988).¹⁸ If any presumption is appropriate, therefore, Congress can only be presumed to have been aware that courts predominantly viewed existing law as precluding jury determination of

are "the equitable substitute for cases which presented the impossibility of proof as to damages and profits"); *Mail & Express v. Life Publ'g Co.*, 192 F. 899 (2d Cir. 1912) (statute permits jury trial); *Cayman Music Ltd. v. Reichenberger*, 403 F. Supp. 794 (W.D. Wis. 1975) (no right to jury trial). The only other reported decision was *Chappel & Co. v. Cavalier Café*, 13 F.R.D. 321 (D. Mass. 1952), which concluded that a jury trial was required, but which was implicitly overruled by the First Circuit's decision in *Chappell & Co. v. Palermo Café*. Feltner focuses on *Mail & Express*. That case, however, holds only that the statute "permits" a judge to refer the matter to a jury (and not that a jury is required). 192 F. at 901. Feltner also contends that the 1976 Congress must be presumed to have relied solely on this decision and to have known that the contrary decision in *Chappelle & Co. v. Palermo Café* was "infirm." Even if these two decisions were the only relevant precedent (which they are not), Feltner cites no authority for presuming that Congress knows which of two inconsistent circuit court decisions is correct. Congress is far more likely to have concluded that the more numerous and recent decisions—including this Court's decisions—reflected prevailing judicial interpretation of the existing statute.

¹⁸ See, e.g., *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1177-79 (9th Cir. 1977); see generally *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117, 119-21 (4th Cir. 1981) (finding Constitutional right to jury trial but no such statutory right).

Statutory Damages and to have continued to authorize only judges to provide such relief.¹⁹

Feltner maintains that Statutory Damages are the result of an unbroken chain of damages statutes that involved jury determinations and thus Congress must be presumed to have intended to grant a jury trial when enacting Section 504(c). The historical emergence of Statutory Damages is discussed in greater detail in Section II A, *infra.*, and that history demonstrates that the 1909 Act was not merely an expansion of existing damages to all forms of copyright infringement, as Feltner contends, but established a novel form of equitable relief that was entirely distinct from the damages authorized under prior statutes.²⁰ The "historical background" of the 1976 Act pro-

¹⁹ Feltner cites the legislative history of the Semiconductor Chip Protection Act of 1984 as "worth noting," but the stray reference to the Copyright Act by a Congressional committee reporting on entirely different legislation, by a different Congress, acting eight years after the statute at issue, has no probative value whatsoever. See, e.g., *Cass County Music*, 88 F.3d at 641 n.3. Even if such future history were instructive, the legislative history of the Anti-counterfeiting Consumer Protection Act of 1996 reached the opposite conclusion, providing that a remedy substantially similar to Statutory Damages (Pub. L. 104-153, § 7, 110 Stat. 1386 (codified as 15 U.S.C. § 1117(c) (1996))) allows "civil litigants the option of obtaining discretionary, judicially imposed damages in trademark counterfeiting cases, instead of actual damages." S. Rep. No. 104-177 (1995), pt. V(7), available in 1995 WL 709282 (emphasis added). The legislative history Feltner quotes, moreover, counsels caution in conclusively presuming that all members of Congress are aware of judicial interpretation of existing statutes. This Congressional committee apparently was unaware in 1984 that every court to have interpreted Section 504(c) prior to 1984 concluded that it did not require a jury trial. See, e.g., *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981); see also *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1177-79 (9th Cir. 1977) (interpreting substantially similar 1909 Act).

²⁰ Feltner and his amicus cite passages from the drafting history of the 1909 Act that "suggest" the ranges for Statutory Damages

vides no basis on which Congress could be presumed to have intended to require a jury determination of Statutory Damages. The Court, therefore, cannot avoid the Constitutional issue.

II. THE SEVENTH AMENDMENT DOES NOT REQUIRE THAT A JURY DETERMINE THE AMOUNT OF, OR LIMITATIONS ON, AN AWARD OF STATUTORY DAMAGES UNDER SECTION 504(c).

Congress established Statutory Damages as an equitable remedy, administered through the exercise of judicial discretion when the available remedy at law is inadequate, to do justice under the circumstances of a particular case. The Court, therefore, must determine whether the Seventh Amendment requires that an award of Statutory Damages be made by a jury, rather than by the court as required by statute. The Court's "historical test" for determining whether a statute gives rise to a right to jury trial under the Seventh Amendment requires the Court to inquire:

first, whether we are dealing with a cause of action that either was tried at law at the time of the Founding or is at least analogous to one that was. . . . If the action in question belongs in the law category, we then ask whether the particular trial decision must fall to the jury in order to preserve the substance of the common-law right as it existed in 1791.

Markman v. Westview Instruments, Inc., 116 S. Ct. 1384, 1389 (1996). As applied here, inquiry under the first

reflected limits on jury discretion, but this history can be interpreted just as easily to support the view that an award of Statutory Damages by a judge was necessary to address juries' inherent biases and practical limitations. See Br. of Pet'r at 18 n.6; Br. of Amicus Abrams at 21. This legislative history is not only ambiguous but affords little, if any, insight into Congressional intent in the 1976 Act. This drafting history bears no necessary relationship to Congressional intent when enacting either the 1909 or 1976 statute. The quoted speakers, moreover, were not even members of Congress.

prong demonstrates that Statutory Damages are an equitable, not legal, remedy (Section II. A, *infra.*). Even if Statutory Damages were considered to be legal relief, the second prong examination supports the position that no jury would be required to preserve the substance of any common law right as it existed in 1791 (Section II. B, *infra.*). The Seventh Amendment thus does not preclude Congress from authorizing judges alone to award Statutory Damages.

A. An Action for Copyright Statutory Damages Is Equitable and Thus Does Not Give Rise to a Right to Jury Determination.

The first prong of the Court's Seventh Amendment two-prong inquiry requires an examination of the historical nature of the action, but that analysis is limited by the circumstances of this case. Feltner's liability for hundreds of copyright infringements was established as a matter of law on summary judgment. Cert. Pet. App. at 25a-26a. The number of Columbia's works that Feltner infringed was determined as a matter of law based on stipulated facts. *Id.* at 26a, 34a; *see infra* Section II.B.3. Although the District Court found that Feltner's conduct was willful, that finding was compelled by the District Court's rejection of Feltner's defenses to liability on summary judgment, and the District Court did not exercise the authorized discretion to award an amount outside of the Initial Range (\$500-\$20,000)—the only applicability of a willfulness determination. *Id.* at 23a; *see infra* Section II.B.2. The sole issue before this Court, therefore, is whether the Seventh Amendment requires that a jury determine the *amount* of Statutory Damages to be awarded within the Initial Range.

The Court's historic test requires consideration of two factors:

To determine whether a statutory action is more similar to cases that were tried in courts of law than

to suits tried in courts of equity or admiralty, the Court must examine both the nature of the action and of the remedy sought. First, we compare the statutory action to 18th century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature.

Tull v. United States, 481 U.S. 412, 417-18 (1987).²¹ As the Court emphasized in *Tull*, characterizing the relief sought is the most important aspect of the inquiry in this case. *See id.* at 421. The pre-merger custom (first factor) was to bring copyright infringement actions in either courts of equity or courts of law depending on the relief sought, thus placing the emphasis on the second factor—the nature of the relief. Under that second factor, Statutory Damages did not exist until 1909 and were designed by Congress to provide an alternative to inadequate actual damages that allows the court, through the exercise of discretion within a defined range, to achieve a fair and balanced result to both parties, rather than blindly compensating one party and punishing the other—in short, an equitable remedy for which no right to jury determination arises.

1. The Historic Nature of the Cause of Action Is Not Probative of the Issues Before the Court.

The Court's first inquiry generally is to "compare the statutory action to 18th century actions brought in the courts of England prior to the merger of the courts of law and equity." *Tull*, 481 U.S. at 417. The Court itself has characterized this inquiry as "an 'abstruse historical' search," *id.* at 421 (quoting *Ross*, 396 U.S. at 538 n.10),

²¹ The Court has also considered a third factor, "the practical limitations of a jury trial and its functional compatibility with proceedings outside of traditional courts of law." *Id.* at 418 n.4; accord *Ross v. Bernhard*, 396 U.S. 531, 538 n.10 (1970). This factor, however, does not impact the analysis of the issue before this Court under the circumstances of this case.

and that observation is particularly appropriate in this case, where the nature of the underlying action is not even at issue. Feltner's liability for 664 copyright infringements was established on summary judgment, affirmed by the Ninth Circuit, and is not in dispute in this Court. Cert. Pet. App. at 5a-9a. The Court, therefore, need only consider the nature of Statutory Damages, not the nature of an action to determine liability for copyright infringement. *See Tull*, 481 U.S. at 425-27 (determining whether the Seventh Amendment required a jury determination of the statutory remedy separately from the determination of liability).

Even were the Court to examine the nature of the initial cause of action, history provides no ready answer because a copyright owner in 1791 could seek relief for copyright infringement in *either* a court of law or a court of equity depending on the remedy sought. *See, e.g., Donaldson v. Becket*, 4 Burr. 2408, 2409, 98 Eng. Rep. 257, 258 (H.L. 1774) (Eyre, J.) (confirming the existence of a "remedy in equity upon the foundation of the statute, independent of the terms and conditions prescribed by the statute, in respect of penalties enacted thereby"); *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 679 (1834) (Thompson, J., dissenting) (noting "the constant practice in chancery to grant injunctions to restrain printers from publishing the works of others, which practice can only be sustained on the ground that the penalties given by the statute are not the only remedy that can be resorted to").

Feltner collapses the nature of the cause of action and the nature of the remedy into a single factor by assuming that Statutory Damages under Section 504(c) are the same as the civil penalty for copyright infringement authorized under statutes enacted prior to 1791, and then characterizing the cause of action as one to recover that remedy. The Court must determine the nature of the remedy under the second factor of its inquiry, including whether Statutory Damages under current law are analo-

gous to damages specified in earlier copyright statutes. Feltner cannot claim that the first factor is determinative by assuming a favorable resolution of the second factor.

The simple historical facts are that a copyright owner seeking redress for copyright infringement could bring an action in a court of law for legal remedies or a bill in equity for equitable relief. An attempt to find an historical precedent to a claim for copyright infringement, therefore, is neither fruitful nor probative of the issue before the Court.

2. Statutory Damages Are a Quintessentially Equitable Remedy.

The Court has emphasized that "characterizing the relief sought is 'more important' than finding a precisely analogous common-law cause of action in determining whether the Seventh Amendment guarantees a jury trial." *Tull*, 481 U.S. at 421 (quoting *Curtis v. Loether*, 415 U.S. at 196). This is particularly true of Statutory Damages. This remedy was created and designed by Congress in the Copyright Act of 1909 (and later revised in the 1976 Act) to provide equitable relief for copyright infringement. Prior statutes specified penalties and minimum recovery of actual damages, but made no attempt to provide an alternative to these legal remedies or invest the court with the discretion authorized in Section 504(c). Had Statutory Damages existed in their present form at the time the Seventh Amendment was adopted, basic principles of law and equity would have required that any such award be within the exclusive province of the courts of equity to award.

a. No Historical Equivalent for Statutory Damages Existed Prior to 1909.

The Court's examination of the nature of the remedy in prior decisions has focused on analogizing the statutory remedy to remedies historically available at common law

or in equity. Statutory Damages, however, have no historical parallel. Nothing like this remedy was available—either at law or in equity—until 1909, notwithstanding the fact that Congress and the British legal system had specified a damages remedy by statute since long before the Seventh Amendment was adopted.

The first federal copyright statute in the United States was enacted in 1790, the year before the Seventh Amendment was adopted, and provided as a remedy for infringement of copyrights in printed materials that "every such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession, . . . the one moiety thereof . . . to and for the use of the United States. . . ." Act of May 31, 1790, 1 Stat. 124. This statute established a civil penalty for copyright infringement in a fixed amount, half of which would be collected by the government with the other half paid to the copyright owner.²² As was true of the English Statute of Anne from which the American law was copied, 8 Anne ch. 19 (1710), the statute provided the sole remedy at law for copyright infringement. *E.g.*, *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834); *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. 257 (H.L. 1774).

The remedy provided by the 1790 statute bears no resemblance to modern Statutory Damages. The 1790 statutory remedy was a one-size-fits-all civil penalty, in a single, invariable amount per copy, without any exercise of discretion or ability to consider the nature or extent of injury, lost profits, or the culpability or identity of the

²² The 1790 statute also imposed liability for publishing a manuscript, *i.e.*, an unpublished work, requiring the infringer "to pay to the said author or proprietor all damages occasioned by such injury" *Id.* The statute thus differentiated between unpublished works, for which the copyright owner could collect actual damages, and published works, the infringement of which could be remedied only by fixed civil penalty.

infringer. In short, Congress, rather than either the judge or the jury, determined the amount of money to be awarded for copyright infringement under the statute, and then collected half of it.²³ Subsequent statutes maintained the same fixed penalty structure of monetary relief for copyright infringement established in the 1790 Act. See Act of April 29, 1802, 2 Stat. 171 (extending copyright protection to additional categories of works and requiring infringers to "forfeit one dollar for every print," half of which to be paid to the federal government); Act of February 3, 1831, 4 Stat. 36 (same, with prescribed remedy of "fifty cents for every such sheet" in the infringer's possession).²⁴

Congress prescribed the remedy for copyright infringement at law, but courts of equity initially continued to provide alternative relief. See *Stevens v. Gladding*, 58 U.S. (17 How.) 447 (1854). Congress, however, as it earlier had done with legal remedies, soon assumed the power to prescribe equitable relief and granted jurisdiction to federal courts to provide such remedies. Act of February 15,

²³ The rigidity of this remedy is underscored by the statutory requirement that recovery was "by action of debt." Act of May 31, 1790, 1 Stat. 124 § 2. An action of debt was a legal claim for a fixed amount of money, conceived "as a property claim, analogous to a claim for specific chattel, with the specific sum of money standing in the place of the chattel." 1 D. Dobbs, *Law of Remedies*, § 4.2[3], at 577 (2d ed. 1993). In other words, such an action existed where "a sum certain was due to the plaintiff, or a sum which can readily be reduced to a certainty . . ." *Stockwell v. United States*, 80 U.S. (13 Wall.) 531, 542 (1871). No action for debt, therefore, could be maintained where the sum was indeterminate. By limiting recovery to actions at debt, these statutes also limited the available remedy to a sum certain (either actual damages or a fixed penalty), in marked contrast to the discretionary Statutory Damages authorized in Section 504(c).

²⁴ These statutes also authorized fixed civil penalties of \$100, half of which was to be paid to the United States, for infringing works under a false claim of authority, and retained actual damages as the remedy for infringement of unpublished manuscripts. *Id.*

1819, 3 Stat. 481. A court of equity was constrained by the remedies authorized in the statute (and could not award the statutory civil penalties), but equity courts could issue injunction and order an accounting and disgorgement of an infringer's profits. See *Stevens*, 58 U.S. (17 How.) 447; *Chapman v. Ferry*, 12 F. 693 (C.C.D. Ore. 1882); *Social Register Ass'n v. Murphy*, 129 F. 148 (C.C.D.R.I. 1904).

Not until 1856 did Congress depart from this structure of monetary remedies available at law for copyright infringement, and then did so only to authorize actual damages for infringement of dramatic works. The 1856 statute extended copyright protection for the first time to presentations of "dramatic composition," and specified payment for unauthorized performances of "damages in all cases to be rated and assessed at such sum not less than one hundred dollars for the first, and fifty dollars for each subsequent performance, as to the court having cognizance thereof shall appear to be just . . ." Act of August 18, 1856, 11 Stat. 138.²⁵ This remedy bears only a superficial and misleading resemblance to some of the aspects of Statutory Damages under the 1976 Act—the 1856 statute authorized only a minimum recovery of actual damages and was the sole form of statutory legal relief available. As this Court made clear in the context of later statutes that incorporated this remedy, "the statute provides a minimum sum for a recovery in any case, leaving it open for a larger recovery upon proof of greater damage in those cases where such proof can be made." *Brady v. Daly*, 175 U.S. 148, 154 (1899) (emphasis added). The damages specified for dramatic works in the 1856 statute thus represented actual damages with a floor, and the ability of the "court" to provide a remedy as "shall appear to be just" was strictly limited to awarding actual damages in excess of the statutory mini-

²⁵ Owners of other copyrighted works continued to recover only the previously fixed civil penalties for infringement.

mum *only* when such an award was justified by proven injury.

The 1870 revisions similarly authorized the copyright owner of a book to obtain "such damages as may be recovered in a civil action" (*i.e.*, actual damages) while retaining actual damages with a floor for dramatic works and fixed civil penalties for infringement of other copyrighted works. Act of July 8, 1870, 16 Stat. 212.

In 1895, Congress amended the existing statutes. The statutes continued to maintain a fixed civil penalty calculated on a per sheet or per copy basis, but the total of those calculations recoverable for infringement of a photograph was limited to "not less than one hundred dollars, nor more than five thousand dollars," and for infringement of a painting, statue, or other work of fine art to "not less than two hundred and fifty dollars, and not more than ten thousand dollars. One-half of all the foregoing penalties shall go to the proprietors of the copyright and the other half to the use of the United States." Act of March 2, 1895, 28 Stat. 965. The 1895 statute represents the first statutory range for copyright damages established by Congress, but the range did not alter how the civil penalty was calculated. It merely constrained the *total* of the recovery permissible based on those per-copy calculations. Congress authorized no discretion in determining the amount within that range but simply established a minimum total penalty and capped the total at \$5,000 or \$10,000 (regardless of the number of copies), depending on the type of work infringed.

The 1909 amendments to the copyright statutes introduced what are now known as Statutory Damages. The 1909 Act represented a major revision of existing copyright law, minimizing the differentiation between types of copyrighted works and providing the same remedies for infringement of "the copyright in any work protected under the copyright laws of the United States"

Act of March 4, 1909, § 25, 35 Stat. 1075, formerly codified as 17 U.S.C. § 101. Congress completely eliminated civil penalties for copyright infringement and authorized recovery of "such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement" *Id.* § 101(b). Congress further provided "in lieu of actual damages and profits, such damages as to the court shall appear to be just, and assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated" *Id.* These "in lieu of" damages were subject to specific guidelines for certain types of copyrighted works but in general could not "exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty." *Id.*; see *Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202 (1931) (describing application of statutory range).

"In lieu of" damages were a complete departure from the remedies Congress had authorized under prior statutes. "In lieu of" damages were an alternative to actual damages where actual damages were inadequate—prior statutes established only a single remedy. "In lieu of" damages were to be assessed by the court guided only by "its discretion" within prescribed ranges—earlier statutes specified the amount and calculation of damages (except in the limited circumstances in which actual damages were available), authorizing no discretion, and using prior ranges only to limit total recovery. "In lieu of" damages were determined per copyrighted *work* infringed—prior statutes prescribed sums calculated by multiplying a fixed amount per infringing sheet or copy in the possession of, or sold by, the infringer (*i.e.*, the number of infringements). Finally, "in lieu of" damages were paid in their entirety to the copyright owner—previous statutes required that all prescribed sums be shared with the government.

The Copyright Act of 1976 clarified and refined "in lieu of" damages—now referred to for the first time as

"Statutory Damages"—that were created in the 1909 Act. Section 504(b) of the 1976 Act continues to authorize recovery of actual damages and profits, while Section 504(c) retains the basic concept of "in lieu of" damages but eliminates all distinctions among copyrighted works—creating a single range within which an award of Statutory Damages must fall—and authorizing the copyright owner, rather than the court, to elect this remedy "at any time before final judgment is rendered" 17 U.S.C. § 504(c)(1). The 1976 Act also introduced additional discretion to expand the statutory range based on findings of "willful" or "innocent" infringement and prohibited any award of Statutory Damages against a nonprofit educational or broadcast entity that believed in good faith that its use of copyrighted work was a fair use under the statute. *Id.* § 504(c)(2).

A review of the statutory history demonstrates three fundamental points. First, Statutory Damages bear no resemblance to the fixed civil penalties that Congress had established for copyright infringement by 1791. Feltner's inaccurate reference to these civil penalties as "statutory damages" cannot conceal the fact that nothing even remotely like the relief authorized under Section 504(c) was available under any statute when the Seventh Amendment was adopted or for well over 100 years thereafter. Second, these civil penalties were the *sole* remedy available at law in 1791 and remained a dominant feature of the legal relief authorized by Congress until 1909. From 1790 to 1909, Congress, rather than either a judge or jury, determined the legal remedy for copyright infringement (and the equitable remedy since 1819), and with limited exceptions, Congress used that authority to make fixed civil penalties the only means of legal redress until this century. Finally, Section 504(c)'s statutory lineage does not resolve the issue before the Court. The Statutory Damages Congress created in 1909 and refined in 1976 have no historical precedent. The Court, therefore,

must look elsewhere to determine the nature of Statutory Damages.

b. The Structure and Purpose of Statutory Damages Are Inherently Equitable.

The lack of an historical precedent for Statutory Damages requires that the Court assess the nature of this remedy by examining its structure and purpose in light of basic legal and equitable principles. Statutory Damages are structured as an alternative to inadequate actual damages which the copyright owner may elect at any time prior to final judgment. The purpose is to allow sufficient flexibility and discretion to balance a variety of interests, including providing "restitution of profit and reparation for injury," "discourag[ing] wrongful conduct," and "vindicate[ing] the statutory policy." *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952). The structure and purpose of Statutory Damages as provided in Section 504(c) demonstrate the equitable nature of this remedy.

Alternative to Inadequate Legal Remedy. Statutory Damages are authorized as an alternative to actual damages. The fundamental hallmark of equity is the ability to provide a remedy in the "absence of an adequate and certain remedy at law." *Davis v. Wallace*, 257 U.S. 477, 482 (1921); *see, e.g., American Life Ins. Co. v. Stewart*, 300 U.S. 203, 214 (1937) ("A remedy at law does not exclude one in equity unless it is equally prompt and certain and in other ways efficient"). As the Court has explained, Statutory Damages fulfill just such a role:

The phraseology of the [Statutory Damages] section was adopted to avoid the strictness of construction incident to a law imposing penalties, and to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits. In this respect the old law was

unsatisfactory. In many cases, plaintiffs, though proving infringement, were able to recover only nominal damages, in spite of the fact that preparation and trial of the case imposed substantial expense and inconvenience. The ineffectiveness of the remedy encouraged willful and deliberate infringement.

. . . . [T]he purpose of the act is not doubtful. The trial judge may allow such damages as he deems to be just [within the statutory limits].

Douglas v. Cunningham, 294 U.S. 207, 209-10 (1935) (emphasis added).

Election of Copyright Owner. Section 504(c) provides that only the copyright owner is authorized to elect Statutory Damages as an alternative to actual damages. This election mirrors the ability that copyright owners had prior to the merger of law and equity to choose among available remedies by filing suit in a court of law or a bill in a court of equity. Rather than choosing between courts, the copyright owner now must elect among available remedies in the now-unified court. Statutory Damages thus provide the equitable alternative to which a copyright owner formerly would have been required to seek from a separate court.

Exercise of Discretion. The Copyright Act authorizes the court to exercise broad discretion to determine Statutory Damages within prescribed limits without evidence of, or even reference to, the copyright owner's economic loss, the infringer's gain, or any other guidelines or criteria. See, e.g., *Douglas*, 294 U.S. at 210 ("the employment of the statutory yardstick, within set limits, is committed solely to the court which hears the case"). Such flexibility in fashioning a remedy is a fundamental characteristic of equity and stands in stark contrast to an award of actual damages, which must be based on proof of the existence and extent of economic harm or personal injury to the plaintiff and/or economic benefit to the defendant. See, e.g., *Holmberg v. Armbrrecht*, 327 U.S. 392, 396 (1946) ("Equity eschews mechanical rules" and depends

on "flexibility."). The Court has observed that the varied nature of copyright infringements requires that the trial judge be given discretion to ensure an appropriate remedy: "The necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of the wide *judicial* discretion within limited amounts conferred by this statute." *F.W. Woolworth Co.*, 344 U.S. at 232 (emphasis added); see generally *Freeman v. Pitts*, 503 U.S. 467, 487 (1992) ("The essence of a court's equity power lies in its inherent capacity to adjust remedies in a feasible and practical way").

Balancing Equities. Finally, equity seeks to provide a fair and balanced result, rather than a rigid remedy designed only to compensate one party for a loss caused by the other, as is the case at law. See *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 418 (1975) ("it is the historic purpose of equity to 'secur[e] complete justice'"), quoting *Brown v. Swann*, 10 Pet. 497, 503 (1836)); *Brotherhood of Locomotive Engr's v. Missouri-Kansas-Texas R.R.*, 363 U.S. 528, 535 (1960) ("balancing of these competing claims of irreparable hardship is, however, the traditional function of the equity court"). Section 504(c) affords the court absolute flexibility not only to award Statutory Damages anywhere within the Initial Range of between \$500 and \$20,000 per work infringed, but also the discretion to modify that range based on the state of mind and identity of the copyright infringer. Thus, the court may—but need not—increase the award to a maximum of \$100,000 for "willful" infringement (as the District Court declined to increase the award here); may—but need not—decrease the minimum to \$200 if the infringer did not know and had no reason to know that his or her conduct was an infringement (*i.e.*, was "innocent"); and cannot award Statutory Damages against a nonprofit educational or broadcast entity that believed in good faith that its conduct was a fair use. The losses suffered by the copyright owner do not vary with the culpability or identity of the

infringer, and an award of *actual* damages under Section 504(b) takes no account of such circumstances. Statutory Damages, on the other hand, authorize or require that the court consider factors other than proof of loss as a means of ensuring fairness to the parties, as well as to other copyright owners and users, rather than blindly compensating the complaining copyright owner.

Feltner nevertheless contends that Statutory Damages provide compensation and punishment and thus, like actual and punitive damages, are a legal remedy. Such contentions, however, highlight (rather than undermine) the unique and equitable nature of this remedy. Statutory Damages may fulfill one or more of the following goals: compensation for the copyright owner; deterrence of future infringements; vindication of statutory policy; or consideration of the identity and culpability (both "willfulness" and "innocence") of the infringer. Compensation and punishment thus are only two of the *potential* purposes of an award of Statutory Damages, and any given award may represent both, only one, or neither of these purposes.

Compensation—or, more properly "remuneration"—is one potential goal of Statutory Damages, but an award of Statutory Damages may not be compensatory at all. Statutory Damages require no proof of actual loss or injury to the copyright owner and the amount of the award is subject to reduction or even elimination depending on the culpability and identity of the infringer, regardless of actual economic injury suffered by a plaintiff. In stark contrast, the remuneration provided through actual damages awards is a legal entitlement that must be based on evidence and cannot be withheld, in whole or in part, once the plaintiff proves the quantum of injury. *See, e.g., McKinnon v. Kwong Wah Restaurant*, 83 F.3d 498, 508 (1st Cir. 1996).

Nor are Statutory Damages analogous to punitive damages. "Punitive damages by definition are not intended to

compensate the injured party but rather to punish." *City of Newport v. Fact Concerts, Inc.*, 453 U.S. 247, 266 (1981). An award of Statutory Damages within the Initial Range, however, may not represent punishment at all. To the contrary, such an award could be less than even the amount necessary to provide compensation in order to *avoid* punishing the infringer. The monetary relief thus may represent nothing more than recognition of the importance of protecting copyrights from infringement, without consideration of compensation or punishment. Indeed, the statute itself requires just such a result when the infringer is a non-profit educational or broadcasting entity acting with a good faith belief that its use of the copyrighted work was a fair use. 17 U.S.C. § 504(c)(2).

Punitive damages, as this Court also has observed, require outrageous conduct, "not only for actual intent to injure or evil motive, but also for recklessness, serious indifference to or disregard for the rights of others, or even gross negligence." *Smith v. Wade*, 461 U.S. 30, 48 (1983); *see* Restatement (Second) of Torts § 908(2) & cmt. b (1977) ("Punitive damages may be awarded for conduct that is outrageous, because of the defendant's evil motive or his reckless indifference to the rights of others."). Statutory Damages require no such finding—any liability determination is sufficient to trigger an award of Statutory Damages. The court thus could award Statutory Damages in an amount designed to deter future infringement, even if the infringer did not engage in any outrageous conduct. Indeed, an infringer may have been "innocent"—*i.e.*, not have known or had reason to believe that his or her conduct constituted copyright infringement—yet that defendant is subject to the same maximum \$20,000 award authorized under Section 504(c) as a more culpable infringer.

Damages cannot be characterized as "punitive damages" if they may be awarded regardless of whether the infringer's conduct was outrageous; nor can Statutory Dam-

ages be deemed "compensatory damages" if they may be awarded in a sum that is less than the amount necessary to compensate the plaintiff for actual injury.

Feltner also appears to maintain that Statutory Damages are legal because they are an award of money, rather than an injunction or similar relief. This Court, however, has emphasized that "We need not, and do not, go so far as to say that any award of monetary relief must necessarily be 'legal' relief." *Curtis v. Loether*, 415 U.S. 189, 196 (1974); *accord, e.g., Albemarle Paper Co. v. Moody*, 422 U.S. 405, 416-17 (1985). Equity courts historically have awarded monetary relief. *E.g., Fowle v. Lawrason's Ex'r*, 30 U.S. (5 Pet.) 495, 503 (1831) ("that a court of chancery has jurisdiction in matters of account cannot be questioned"); *Stevens v. Gladding*, 58 U.S. (17 How.) 447 (1854). Moreover, courts award sanctions (including sanctions under Fed. R. Civ. Proc. 11), costs, and attorneys' fees, that are nevertheless considered "equitable" and are determined by the judge, not a jury. *See, e.g., Hensley v. Eckerhart*, 461 U.S. 424, 436-37 (1983); *Christiansburg Garment Center v. E.E.O.C.*, 434 U.S. 412, 419 (1978).²⁶ The District Court in this case awarded Columbia over \$750,000 in costs and attorneys' fees, and while Feltner has challenged the amount of that award, he has never questioned the court's authority to make such an award. *See* Cert. Pet. App. at 23a. The monetary aspect of Statutory Damages does not alter their

²⁶ Feltner maintains that consideration of the infringer's profits is the only "arguable" equitable aspect of Statutory Damages but that such consideration is inapplicable here because the award "need bear no relation whatsoever to any profits earned by the infringer." Br. of Pet'r at 34-35. Of course, the award also need bear no relation whatsoever to compensating the copyright infringer or deterring future infringements—the two purposes of Statutory Damages on which Feltner relies to characterize the remedy as legal. Feltner's own logic thus dictates that Statutory Damages cannot be considered legal because no relationship to compensation or deterrence is required.

inherent nature as an equitable remedy.²⁷ The Seventh Amendment, therefore, does not require a jury determination of Statutory Damages.

B. Statutory Damages Need Not Be Determined by a Jury to Preserve the Substance of Any Common Law Right as It Existed in 1791.

Statutory Damages are an equitable remedy, which means that the Court need not reach the second prong of its Constitutional inquiry, *i.e.*, "whether the particular trial decision must fall to the jury in order to preserve the substance of the common-law right as it existed in 1791."

²⁷ Feltner also quotes this Court's language out of context for the otherwise unsupported proposition that "[a]n award of damages is not considered equitable under the Seventh Amendment if the plaintiff is 'free to seek an equitable remedy in addition to, or independent of, legal relief'" Br. of Pet'r at 36 (quoting *Tull*, 481 U.S. at 425). The language Feltner quotes comes from the Court's discussion of the nature of the action, not the nature of the remedy, and the Court merely clarified the well-established principle that a jury trial cannot be avoided by seeking both legal and equitable remedies in the same action:

Finally, the Government was free to seek an equitable remedy in addition to, or independent of, legal relief. Section 1319 does not intertwine equitable relief with the imposition of civil penalties. Instead, each kind of relief is separately authorized in a separate and distinct statutory provision. Subsection (b), providing injunctive relief, is independent of subsection (d), which provides only for civil penalties. In such a situation, if a "legal claim is joined with an equitable claim, the right to jury trial on the legal claim, including all issues common to both claims, remains intact. The right cannot be abridged by characterizing the legal claim as 'incidental' to the equitable relief sought."

Tull, 481 U.S. at 425 (quoting *Curtis*, 415 U.S. at 196). This Court has never held, as Feltner asserts, that monetary relief is not considered equitable simply because both legal and equitable remedies are available. Indeed, the results of such a holding would be to divest sanctions and attorneys' fees of their equitable nature and require a jury determination of such awards along with the legal relief requested.

Markman, 116 S. Ct. at 1389. Even were the Court to conclude that Statutory Damages are legal, however, no right to a jury determination of damages for copyright infringement existed in 1791. Rather, Congress historically established such damages by statute, fixing the amount as well as how that amount was to be calculated—50 cents for each infringing sheet. To paraphrase the Court: “Since Congress itself may fix [damages for copyright infringement], it may delegate that determination to trial judges.” *Tull*, 481 U.S. at 427. None of the issues Feltner raises, therefore, required a jury determination.

1. *The Amount of Copyright Infringement Damages Historically Was Determined by Congress, and Congress Has Properly Delegated That Authority to Judges.*

Prior to adoption of the Seventh Amendment, the common law of copyright was supplanted by statute in both England and the United States. See, e.g., *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. 257 (H.L. 1774); *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834). Thus, an action at law for copyright infringement in 1791—including available remedies—was governed exclusively by the statute. That statute established damages for copyright infringement in “the sum of fifty cents for every sheet which shall be found in [the infringer’s] possession. . . .” Act of May 31, 1790, ch. 15, sec. 2, 1st Cong., 2d Sess., 1 Stat. 124, 125. The amount of the award did not depend on proof of any loss, nor did the penalty per sheet vary according to the factual record in the case. The jury, therefore, did not determine the amount of damages per published “work” or “sheet” infringed—Congress made that determination, and Congress continued to set the amount of such damages (with exceptions for actual damages in limited circumstances) in every copyright statute until 1909. See *supra* Section II.A.2.a.

This Court has previously concluded under virtually identical circumstances that a jury determination of the

amount of damages is not necessary to preserve the substance of the common law right of trial by jury:

Congress’ authority to fix the penalty by statute has not been questioned, and it was also the British practice. In the United States, the action to recover civil penalties usually seeks the amount fixed by Congress. The assessment of civil penalties thus cannot be said to involve the “substance of a common-law right to a trial by jury,” nor a “fundamental element of a jury trial.”

Congress’ assignment of the determination of the amount of civil penalties to trial judges therefore does not infringe on the constitutional right to jury trial. *Since Congress itself may fix the civil penalties, it may delegate that determination to trial judges.* In this case, highly discretionary calculations that take into account multiple factors are necessary in order to set civil penalties under the Clean Water Act. These are the kinds of calculations traditionally performed by judges. We therefore hold that a determination of a civil penalty is not an essential function of a jury trial, and that the Seventh Amendment does not require a jury trial for that purpose in a civil action.

Tull, 481 U.S. at 425-26 (citations omitted and emphasis added).

Feltner attempts to distinguish *Tull* as “a limited exception to the general rule that legal damages are to be assessed by a jury, in circumstances where the government seeks to enforce civil penalties to further a complex regulatory scheme.” Br. of Pet’r at 45. These are distinctions without a difference. The Court in *Tull* engaged in the same inquiry as is required here—a review of the historical determination of damages once liability for a statutory cause of action has been established—and found, as is the case here, that the common law practice was to have the amount of those damages determined by trial judges through a delegation of authority from Congress, not by

a jury.²⁸ The fact that *Tull* involved an analysis of civil penalties is an analogous, rather than distinguishing, factor because, as Feltner recognizes elsewhere in his brief, damages under the early copyright statutes were, in part, a civil penalty (half of which went to the federal government), and Feltner has never questioned the ability of Congress to establish such damages, including their amount.²⁹ Congress, moreover, has established a flexible scheme for assessing Statutory Damages that does not require evidence of loss but relies on the exercise of discretion to fulfill the often inconsistent or conflicting goals of restitution, compensation, deterrence, statutory policy, and the culpability and identity of the defendant—"the kinds of calculations traditionally performed by judges." *Tull*, 481 U.S. at 427.

The remainder of Feltner's argument—that determining the amount of damages under a statutory claim generally was a fundamental role of the jury at common law—comes to naught in light of the specific history of actions for copyright infringement and the Court's decision in

²⁸ The applicability of *Tull* is further strengthened by the fact that copyright statutes provide a direct historical reference, rendering unnecessary the Court's exercises in *Tull* to find analogous actions. The existence of such a direct reference addresses Justice Scalia's concern in his dissent that the closest historical analogy was to criminal sentencing, which he found inapplicable to civil actions. See 481 U.S. at 427-28 (Scalia, J., concurring in part and dissenting in part). Here, the early copyright statutes unequivocally established the amount and calculation of civil damages for infringement as a matter for Congress to determine. The jury's role was strictly limited to determining the number of sheets (i.e. infringements) by which to multiply the amount fixed by Congress. Similarly, the number of infringements for which Feltner was liable was determined by summary judgment (and expanded by stipulation of the parties). See section IIB3, *infra*.

²⁹ Nor is the lack of any civil penalty under Section 504(c) a distinguishing factor. The critical fact is that the amount of the only legal remedy available in 1791 was fixed by Congress, regardless of whether that relief is characterized as a civil penalty.

Tull. Whatever the truth of Feltner's assertion in other contexts, it clearly was not the case for claims brought under copyright statutes, either in England or the United States. As the Court has observed, moreover, "[t]he Seventh Amendment is silent on the question whether a jury must determine the remedy in a trial in which it must determine liability," and "[n]othing in the Amendment's language suggests that the right to a jury trial extends to the remedy phase of a civil trial." *Tull*, 481 U.S. at 425-26 & n.9.

Finally, Feltner suggests throughout his brief that the statutory range and actual amount of the Statutory Damages awarded in this case somehow necessitates a jury determination of this issue. This Court has never found a right to jury trial based on the potential monetary recovery available. To the contrary, the Court did not even consider relevant to its analysis, much less find a right to a jury determination of, civil penalties ranging from \$0 to \$10,000 per day of statutory violation or the potential liability to the party before the Court of \$22,890,000—well over twice the amount of Statutory Damages awarded here. See *Tull*, 481 U.S. at 414-15. The District Court, moreover, awarded only \$20,000 for each work infringed; the \$8.8 million judgment resulted arithmetically from the finding that Feltner had infringed 440 works. As shown in Section 3, *infra*, the District Court's finding regarding the number of works infringed was purely a legal one, made on the application of legal principles to undisputed facts.

The structure, purpose, and history—not the quantity—of the remedy informs the Court's analysis of whether the Seventh Amendment guarantees a right to jury determination, and those factors support the conclusion that no such right exists with respect to Statutory Damages.

2. Findings of Willfulness and Innocence Are Relevant Only to Establish the Applicable Range of Statutory Damages and Thus Are Within the Authority of the Judge.

No jury at common law was asked to determine whether a copyright infringer's conduct was "willful" or "innocent" because those findings were (and are) irrelevant to the issues of liability for copyright infringement or calculating an award of actual damages. *See, e.g., Fiest Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991) ("To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituents elements of the work that are original."). The concept of culpability (i.e. "willfulness" and "innocence") was introduced by Congress in 1976 and is relevant by statute only to expand the Initial Range of Statutory Damages. Section 504(c) allows the court in its discretion to increase the \$20,000 maximum award per work infringed in the Initial Range to \$100,000 upon a finding of "willfulness" and to decrease the Initial Range's \$500 minimum to \$200 for "innocent" infringement. These findings thus only adjust the limits on the exercise of discretion to award Statutory Damages. They need not—and often do not—form the basis on which the court determines the amount to be awarded. Here, for example, the District Court awarded Statutory Damages of \$20,000 per work infringed and did not exercise its discretion to increase that award based on its finding that Feltner willfully infringed Columbia's copyrights.³⁰ *Cert. Pet. App.* at 23a.

³⁰ After hearing Feltner's evidence at trial, the District Court found Feltner's conduct to be "willful" but nevertheless awarded only \$20,000 per work infringed—the maximum amount permitted *without* a willfulness finding (and *with* a finding of "innocence"). Even had a jury heard that same evidence and found Feltner's conduct "innocent," the court would have had the authority to make the same \$20,000 award, rendering moot any jury determination.

"Willfulness" and "innocence" are relevant only to establish the limits on the amount of Statutory Damages available and, as such, are intimately intertwined with the Congressionally-prescribed discretion to determine the amount of the damages award. Congress, as discussed above, has unquestioned authority to establish the amount of damages available for copyright infringement and has delegated that authority to judges to award Statutory Damages. Because findings of culpability affect only the amount of (as opposed to liability for) Statutory Damages, they need not be made by a jury in order to preserve the substance of any common law right that existed in 1791.

Feltner concedes that "there is no direct historical precedent" for a determination of "willful" or "innocent" copyright infringement but analogizes those findings to claims for punitive damages, contending that "it is unthinkable that such basic factual issues" would not have been determined by a jury. *Br. of Pet'r* at 40. Punitive damages, however, were not available for copyright infringement in 1791, and as detailed above, Statutory Damages are not analogous to punitive damages. Nor are juries asked to find circumstances that would *reduce or eliminate* any monetary recovery based on the lesser culpability or identity of the liable party regardless of economic injury to the plaintiff. *See supra* at Section II.A.2.b. In addition, judges frequently determine "basic factual issues" affecting the amount of monetary awards, including, for example, multiple factors used to calculate civil penalties under the Clean Water Act and the reasonableness of attorneys' fees. *See, e.g., Tull*, 481 U.S. at 427; *Hensley v. Eckerhart*, 461 U.S. 424, 436-37 (1983). A jury determination thus is not necessary for either the amount of damages or the dependent issue of the "willfulness" or "innocence" of the infringing conduct.³¹

³¹ Columbia did not request a finding of willfulness on summary judgment (which was granted prior to Columbia's election of Statu-

3. *The Number of Works Infringed Was Determined as a Matter of Law.*

Finally, no jury would have been required to determine the number of works infringed in this case because the facts bearing on that determination were established prior to trial. Pursuant to the Second Amended Pretrial Order, Columbia and Feltner stipulated that Feltner was responsible for 984 infringements (*i.e.*, infringing broadcasts) of 440 episodes of four television series (assuming that identical episodes of "WHO'S THE BOSS?" broadcast by WNFT and WTVX were counted separately). Pretrial Order at ¶ 6 & pp. 19-43; Def's Mem. of Contentions of Fact & Law of 2/9/94 (R. 263) at 18. The Pretrial Order expanded and refined the District Court's summary judgment ruling that Feltner was responsible for 664 separate infringements (*i.e.*, infringing broadcasts). The only question that remained at the trial's outset related to the number of separate awards of Statutory Damages which would be supported by these stipulated facts.³²

tory Damages), but the District Court's summary judgment ruling (affirmed by the Ninth Circuit) that Feltner *could not reasonably believe* that Columbia had not effectively terminated the license agreements mandated a finding of willfulness. *See Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336, *cert. denied*, 498 U.S. 1109 (1991) ("To refute evidence of willful infringement, [the defendant] must not only establish its good faith belief of the innocence of its conduct, it must also show it was reasonable in holding such belief.")

³² Feltner incorrectly states that the number of infringements was a factual issue remaining for trial, relying on a single pretrial comment by the District Court. Br. of Pet'r at 37-38, n. 28 & 39-40. In light of the Pretrial Order and the District Court's summary judgment ruling of 664 infringements, the court's statement at the outset of the trial that "how many infringements were involved" remained to be tried (Trial Tr. of 3/15/94 (J.A. 13) at 7) was most likely a less than precise attempt to identify the issue of "how many infringing works were involved"—an issue that the court disposed of moments later. *Id.* at 10. This conclusion is buttressed by: (a) the court's ruling, moments later, that it "will treat every broadcast of every episode as a separate infringement

The number of separate statutory damage awards turned on two legal questions: (1) whether each episode of a television series (as opposed to the entire series) was a separate work; and (2) whether WNFT and WTVX were separate infringers (and therefore broadcasts of the same episodes of "WHO'S THE BOSS?" by both stations would support separate awards of Statutory Damages). Feltner characterized both of these issues as legal contentions in papers filed with the District Court. Def's Mem. of Contentions of Fact and Law of Feb. 9, 1994 (R. 263) at 9, 13-22. Columbia responded to these legal contentions in its pretrial brief as legal arguments. Pl.'s Trial Br. (J.A. 13) at 1, 8-11. At the outset of the trial, the District Court resolved both issues as matters of law.

With respect to the first issue, Circuit courts have unanimously held—as the Ninth Circuit concluded here—that individually produced episodes of a television series that are individually broadcast or rented to viewers are separate works for copyright purposes. *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 768-70 (11th Cir. 1996), *cert. denied*, 117 S. Ct. 1248 (1997); *Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116-17 (1st Cir. 1993); *Twin Peaks Prods. v. Publications Int'l*, 996 F.2d 1366, 1380-81 (2d Cir. 1993). Feltner offered no evidence that the four Columbia television series were materially different from the television series "TWIN PEAKS," the subject of the Second Circuit's decision of the same name.

and not treat each series as one infringement" (*id.*); and (b) the court's Order for Judgment that a "total of Four Hundred and Forty (440) episodes of Columbia's television programs were broadcast" and "each episode constitutes a separate work for purposes of computing Statutory Damages; *Twin Peaks Prods. v. Publications Int'l*, 996 F.2d 1366 (2d Cir. 1993)." *Cert. Pet. App.* at 21a-22a. In any event, no evidence was submitted at trial regarding the number of infringing broadcasts or the number of episodes involved. Instead, that information came exclusively from the Pretrial Order, which was stipulated to by Columbia and Feltner.

The second question—whether television station WNFT and WTVX are separate infringers—also was purely legal in nature. The second question in turn involved two legal issues: (i) whether Feltner's joint and several liability with the three infringing stations converts the three stations (three separate corporations) into a single infringer; and (ii) application of the doctrine of "judicial estoppel" (based upon alternative "conspiracy" Complaint allegations) as articulated in *RCA/Ariola Int'l., Inc. v. Thomas & Grapon Co.*, 845 F.2d 773, 779 (8th Cir. 1988) (holding a party who "invited any error has no grounds to complain").³³ Def's Mem. of Contentions of Fact & Law of 2/9/94 (R. 263) at 18; Pl.'s Trial Br. (J.A. 13) at 8-10. Neither of these considerations are even properly before this Court, much less present anything for a jury to decide under the circumstances of this case.

None of the issues Feltner raises requires a jury determination "in order to preserve the substance of the common-law right as it existed in 1791." *Markman*, 116 S. Ct. at 1389. The amount and calculation of legal damages for infringement of published copyrighted works were prescribed by Congress in 1791 and continued to be dictated by statute until 1909. Congress' delegation of that authority to trial judges in the 1909 and 1976 Acts did not change the fact that Congress, rather than a jury, has historically set legal damages for copyright infringement. Even if Statutory Damages are considered to be legal, therefore, the Seventh Amendment does not require that they be awarded by a jury.

³³ Judicial estoppel "is intended to protect the integrity of the judicial process, it is an equitable doctrine invoked by the court at its discretion." *Russell v. Rolfs*, 893 F.2d 1033, 1037 (9th Cir. 1990) (quoting *Religious Tech. Ctr. v. Scott*, 869 F.2d 1306, 1311 (9th Cir. 1989) (Hall, J., dissenting)), *cert. denied*, 501 U.S. 1260 (1991).

CONCLUSION

For the foregoing reasons, the Court should affirm the District Court's judgment and the decision of the United States Court of Appeals for the Ninth Circuit that Petitioner C. Elvin Feltner, Jr. did not have a right under Section 504(c) or under the Seventh Amendment to the United States Constitution to have the amount of Statutory Damages determined by a jury after Petitioner's liability for copyright infringement had been determined on summary judgment.

Respectfully submitted,

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APPENDIX

APPENDIX

1. Section 504 of the Copyright Act of 1976 (as amended and codified, 17 U.S.C. § 504 (1997))¹**§ 504. Remedies for infringement: Damages and profits**

(a) In General.—Except as otherwise provided by this title, an infringer of copyright is liable for either—

(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or

(2) statutory damages, as provided by subsection (c).

(b) Actual Damages and Profits.—The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

(c) Statutory Damages.—

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two

¹ See Pub.L. 94-553, Oct. 19, 1976, 90 Stat. 2585; Pub. L. 100-568 § 10(b), Oct. 31, 1988, 102 Stat. 2860.

or more infringers are liable jointly and severally, in a sum of not less than \$500 or more than \$20,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court it² its discretion may reduce the award of statutory damages to a sum of not less than \$200. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

² This error has been corrected in recently enacted (but not yet codified) technical amendments to the Copyright Act. Pub.L. 105-80 § 12(a)(13), Nov. 13, 1997, 111 Stat. 1529.

2. Act of March 4, 1909, § 25, 35 Stat. 1075 (later amended and codified as 17 U.S.C. § 101)

§ 25. Infringement

If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

(a) Injunction—To an injunction restraining such infringement:

(b) Damages and profits; amount; other remedies—To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only, and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits, such damages as to the court shall appear to be just, and assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but in case of a newspaper reproduction of a copyrighted photograph, such damages shall not exceed the sum of \$200 nor be less than the sum of \$50, and such damages shall in no other case exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty.

First. In the case of a painting, statue, or sculpture, \$10 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Second. In the case of any work enumerated in section 5 of this title, except a painting, statue, or sculpture, \$1 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Third. In the case of a lecture, sermon, or address, \$50 for every infringing delivery;

Fourth. In the case of a dramatic or dramatico-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions, \$10 for every infringing performance; . . .

3. Act of March 2, 1895, 28 Stat. 965

SEC. 4965. If any person, after the recording of the title of any map, chart, dramatic or musical composition, print, cut, engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts, as provided by this act, shall, within the term limited, contrary to the provisions of this act, and without the consent of the proprietor of the copyright first obtained in writing, signed in presence of two or more witnesses, engrave, etch, work, copy, print, publish, dramatize, translate, or import, either in whole or in part, or by varying the main design, with intent to evade the law, or, knowing the same to be so printed, published, dramatized, translated, or imported, shall sell or expose to sale any copy of such map or other article, as aforesaid, he shall forfeit to the proprietor all the plates on which the same shall be copied, and every sheet thereof, either copied or printed; and shall further forfeit one dollar for every sheet of the same found in his possession, either printing, printed, copied, published, imported, or exposed for sale; and in case of a painting, statue, or statuary, he shall forfeit ten dollars for every copy of the same in his possession, or by him sold or exposed for sale: *Provided, however,* That in case of any such infringement of the copyright of a photograph made from any object not a work of fine arts, the sum to be recovered in any action brought under the provisions

of this section shall be not less than one hundred dollars, nor more than five thousand dollars, and: *Provided, further,* That in case of any such infringement of the copyright of a painting, drawing, statue, engraving, etching, print, or model or design for a work of the fine arts or of a photograph of a work of the fine arts, the sum to be recovered in any action brought through the provisions of this section shall be not less than two hundred and fifty dollars, and not more than ten thousand dollars. One-half of all the foregoing penalties shall go to the proprietors of the copyright and the other half to the use of the United States.

4. Act of July 8, 1870, 16 Stat. 212

SEC. 98. *And be it further enacted,* That if any person shall insert or impress such notice, or words of the same purport, in or upon any book, map, chart, musical composition, print, cut, engraving, or photograph, or other articles herein named, for which he has not obtained a copyright, every person so offending shall forfeit and pay one hundred dollars; one moiety thereof to the person who shall sue for the same, and the other to the use of the United States, to be recovered by action in any court of competent jurisdiction.

SEC. 99. *And be it further enacted,* That if any person, after the recording of the title of any book as herein provided, shall within the term limited, and without the consent of the proprietor of the copyright first obtained in writing, signed in presence of two or more witnesses, print, publish, or import or, knowing the same to be so printed, published, or imported, shall sell or expose to sale any copy of such book, such offender shall forfeit every copy thereof to said proprietor, and shall also forfeit and pay such damages as may be recovered in a civil

action by such proprietor in any court of competent jurisdiction.

SEC. 100. *And be it further enacted*, That if any person, after the recording of the title of any map, chart, musical composition, print, cut, engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts, as herein provided, shall, within the term limited, and without the consent of the proprietor of the copyright first obtained in writing, signed in presence of two or more witnesses, engrave, etch, work, copy, print, publish, or import, either in whole or in part, or by varying the main design with intent to evade the law, or, knowing the same to be so printed, published, or imported, shall sell or expose to sale any copy of such map or other article, as aforesaid, he shall forfeit to the said proprietor all the plates on which the same shall be copied, and every sheet thereof, either copied or printed, and shall further forfeit one dollar for every sheet of the same found in his possession, either printing, printed, copied, published, imported, or exposed for sale; and in case of a painting, statue, or statuary, he shall forfeit ten dollars for every copy of the same in his possession, or which have by him been sold or exposed for sale; one moiety thereof to the proprietor and the other to the use of the United States, to be recovered by action in any court of competent jurisdiction.

SEC. 101. *And be it further enacted*, That any person publicly performing or representing any dramatic composition for which a copyright has been obtained, without the consent of the proprietor thereof, or his heirs or assigns, shall be liable for damages therefor, to be recovered by action in any court of competent jurisdiction; said damages in all cases to be assessed at such sum, not less than one hundred

dollars for the first, and fifty dollars for every subsequent performance, as to the court shall appear to be just.

SEC. 102. *And be it further enacted*, That any person who shall print or publish any manuscript whatever, without the consent of the author or proprietor first obtained (if such author or proprietor be a citizen of the United States, or resident therein,) shall be liable to said author or proprietor for all damages occasioned by such injury, to be recovered by action on the case in any court of competent jurisdiction.

SEC. 105. *And be it further enacted*, That in all actions arising under the laws respecting copyrights the defendant may plead the general issue, and give the special matter in evidence.

SEC. 106. *And be it further enacted*, That all actions, suits, controversies, and cases arising under the copyright laws of the United States shall be originally cognizable, as well in equity as at law, whether civil or penal in their nature, by the circuit courts of the United States, or any district court having the jurisdiction of a circuit court, or in the supreme court of the District of Columbia, or any Territory. And the court shall have power, upon bill in equity, filed by any party aggrieved, to grant injunctions to prevent the violation of any right secured by said laws, according to the course and principles of courts of equity, on such terms as the court may deem reasonable.

. . . .

SEC. 108. *And be it further enacted*, That in all recoveries under the copyright laws, either for damages, forfeitures, or penalties, full costs shall be allowed thereon.

5. Act of August 18, 1856, 11 Stat. 138

AN ACT supplemental to an act entitled "An act to amend the several acts respecting copyright," approved February third, eighteen hundred and thirty-one.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any copyright hereafter granted under the laws of the United States to the author or proprietor of any dramatic composition, designed or suited for public representation, shall be deemed and taken to confer upon the said author or proprietor, his heirs or assigns, along with the sole right to print and publish the said composition, the sole right also to act, perform, or represent the same, or cause it to be acted, performed, or represented, on any stage or public place during the whole period for which the copyright is obtained; and any manager, actor, or other person acting, performing, or representing the said composition, without or against the consent of the said author or proprietor, his heirs or assigns, shall be liable to damages to be sued for and recovered by action on the case or other equivalent remedy, with costs of suit in any court of the United States, such damages in all cases to be rated and assessed at such sum not less than one hundred dollars for the first, and fifty dollars for every subsequent performance, as to the court having cognizance thereof shall appear to be just: *Provided, nevertheless*, That nothing herein enacted shall impair any right to act, perform, or represent a dramatic composition as aforesaid, which right may have been acquired, or shall in future be acquired by any manager, actor, or other person previous to the securing of the copyright for the said composition, or to restrict in any way the right of such author to process in equity in any court of the United States for the better and further enforcement of his rights.

6. Act of February 3, 1831, 4 Stat. 36

....

SEC. 6. *And be it further enacted*, That if any other person or persons, from and after the recording the title of any book or books, according to this act, shall, within the term or terms herein limited, print, publish, or import, or cause to be printed, published, or imported, any copy of such book, or books, without the consent of the person legally entitled to the copyright thereof, first had and obtained in writing, signed in the presence of two or more credible witnesses, or shall, knowing the same to be so printed or imported, publish, sell, or expose to sale, or cause to be published, sold, or exposed to sale, any copy of such book without such consent in writing then such offender shall forfeit every copy of such book to the person legally, at the time, entitled to the copyright thereof and shall also forfeit and pay fifty cents for every such sheet which may be found in his possession, either printed, or printing published, imported, or exposed to sale, contrary to the intent of this act, the one moiety thereof to such legal owner of the copyright as aforesaid, and the other to the use of the United States, to be recovered by action of debt in any court having competent jurisdiction thereof.

SEC. 7. *And be it further enacted*, That if any person or persons after the recording the title of any print, cut, or engraving, map, chart or musical composition, according to the provisions of this act, shall, within the term or terms limited by this act, engrave, etch, or work, sell, or copy, or cause to be engraved, etched, worked, or sold, or copied, either on the whole, or by varying, adding to, or diminishing the main design with intent to evade the law; or shall print or import for sale, or cause to be printed, or imported for sale, any such map, chart, musical

composition, print, cut, or engraving, or any parts thereof, without the consent of the proprietor or proprietors of the copyright thereof, first obtained in writing, signed in the presence of two credible witnesses; or, knowing the same to be so printed or imported without such consent, shall publish, sell, or expose to sale, or in any manner dispose of any such map, chart, musical composition, engraving, cut, or print, without such consent, as aforesaid; then such offender or offenders, shall forfeit the plate or plates on which such map, chart, musical composition, engraving, cut, or print, shall be copied, and also all and every sheet thereof so copied or printed as aforesaid, to the proprietor or proprietors of the copyright thereof; and shall further forfeit one dollar for every sheet of such map, chart, musical composition, print, cut, or engraving, which may be found in his or their possession, printed or published, or exposed to sale, contrary to the true intent and meaning of this act; the one moiety thereof to the proprietor or proprietors, and the other moiety to the use of the United States, to be recovered in any court having competent jurisdiction thereof.

SEC. 9. *And be it further enacted*, That any person or persons who shall print or publish any manuscript whatever without the consent of the author or legal proprietor first obtained as aforesaid, (if such author or proprietor be a citizen of the United States, or resident therein,) shall be liable to suffer and pay to the author or proprietor, all damages occasioned by such injury, to be recovered by a special action on the case founded upon this act, in any court having cognisance thereof; and the several courts of the United States empowered to grant injunctions to prevent the violation of the rights of authors and inventors, are hereby empowered to grant injunctions, in like manner, according to the prin-

ciples of equity, to restrain such publications of any manuscript as aforesaid.

SEC. 10. *And be it further enacted*, That, if any person or persons shall be sued or prosecuted, for any matter, act, or thing done under or by virtue of this act, he or they may plead the general issue and give the special matter in evidence.

SEC. 11. *And be it further enacted*, That, if any person or persons, from and after the passing of this act, shall print or publish any book, map, chart, musical composition, print, cut, or engraving, not having legally acquired the copyright thereof, and shall insert or impress that the same hath been entered according to act of Congress, or words purporting the same, every person so offending shall forfeit and pay one hundred dollars; one moiety thereof to the person who shall sue for the same, and the other to the use of the United States, to be recovered by action of debt, in any court of record having cognisance thereof.

SEC. 12. *And be it further enacted*. That, in all recoveries under this act, either for damages, forfeitures, or penalties, full costs shall be allowed thereon, any thing in any former act to the contrary notwithstanding.

7. Act of February 15, 1819, 3 Stat. 481

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the circuit courts of the United States shall have original cognisance, as well in equity as at law, of all actions, suits, controversies, and cases, arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries; and upon any bill in equity, filed by any

party aggrieved in any such cases, shall have authority to grant injunctions, according to the course and principles of courts of equity, to prevent the violation of the rights of any authors or inventors, secured to them by any laws of the United States, on such terms and conditions as the said courts may deem fit and reasonable: *Provided, however,* That from all judgments and decrees of any circuit courts, rendered in the premises, a writ of error or appeal, as the case may require, shall lie to the Supreme Court of the United States, in the same manner, and under the same circumstances, as is now provided by law in other judgments and decrees of such circuit courts.

8. Act of April 29th, 1802, 2 Stat. 171

....

SEC. 3. *And be it further enacted.* That if any print-seller or other person, whatsoever, from and after the said first day of January next, within the time limited by this act, shall engrave, etch or work as aforesaid, or in any other manner copy or sell, or cause to be engraved, etched, copied or sold, in the whole or in part, by varying, adding to, or diminishing from the main design, or shall print, re-print, or import for sale, or cause to be printed, re-printed, or imported for sale, any such print or prints, or any parts thereof, without the consent of the proprietor or proprietors thereof, first had and obtained, in writing, signed by him or them respectively, in the presence of two or more credible witnesses; or knowing the same to be so printed or re-printed, without the consent of the proprietor or proprietors, shall publish, sell, or expose to sale or otherwise, or in any other manner dispose of any such print or prints, without such consent first had and obtained, as aforesaid, then such offender or offenders shall forfeit the

plate or plates on which such print or prints are or shall be copied, and all and every sheet or sheets (being part of or whereon such print or prints are or shall be copied or printed) to the proprietor or proprietors of such original print or prints, who shall forthwith destroy the same; and further, that every such offender or offenders shall forfeit one dollar for every print which shall be bound in his, her, or their custody; either printed, published, or exposed to sale, or otherwise disposed of, contrary to the true intent and meaning of this act, the one moiety thereof to any person who shall sue for the same, and the other moiety thereof to and for the use of the United States, to be recovered in any court having competent jurisdiction thereof.

SEC. 4. *And be it further enacted,* That if any person or persons from and after the passing of this act, shall print or publish any map, chart, book or books, print or prints, who have not legally acquired the copyright of such map, chart, book or books, print or prints, and shall, contrary to the true intent and meaning of this act, insert therein or impress thereon that the same has been entered according to act of Congress, or words purporting the same, or purporting that the copyright thereof has been acquired; every person so offending shall forfeit and pay the sum of one hundred dollars, one moiety thereof to the person who shall sue for the same, and the other moiety thereof to and for the use of the United States, to be recovered by action of debt in any court of record in the United States, having cognizance thereof given. *Provided always,* That in every case for forfeitures hereinbefore given, the action be commenced within two years from the time the cause of action may have arisen.

9. Act of May 31, 1790, 1 Stat. 124

....

SEC 2. *And be it further enacted.* That if any other person or persons, from and after the recording the title of any map, chart, book or books, and publishing the same as aforesaid, and within the times limited and granted by this act, shall print, reprint, publish, or import, or cause to be printed, reprinted, published, or imported from any foreign Kingdom or State, any copy or copies of such map, chart, book or books, without the consent of the author or proprietor thereof, first had and obtained in writing, signed in the presence of two or more credible witnesses; or knowing the same to be so printed, reprinted, or imported, shall publish, sell, or expose to sale, or cause to be published, sold, or exposed to sale, any copy of such map, chart, book or books, without such consent first had and obtained writing as aforesaid, then such offender or offenders shall forfeit all and every copy and copies of such map, chart, book or books, and all and every sheet and sheets, being part of the same, or either of them, to the author or proprietor of such map, chart, book or books, who shall forthwith destroy the same: And every such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession, either printed or printing, published, imported or exposed to sale, contrary to the true intent and meaning of this act, the one moiety thereof to the author or proprietor of such map, chart, book or books who shall sue for the same, and the other moiety thereof to and for the use of the United States, to be recovered by action of debt in any court of record in the United States, wherein the same is cognizable. *Provided always,* That such action be commenced within one year after the cause of action shall arise, and not afterwards.

....

SEC. 6. *And be it further enacted,* That any person or persons who shall print or publish any manuscript, without the consent and approbation of the author or proprietor thereof, first had and obtained as aforesaid, (if such author or proprietor be a citizen of or resident in these United States) shall be liable to suffer and pay to the said author or proprietor all damages occasioned by such injury, to be recovered by a special action on the case founded upon this act, in any court having cognizance thereof.

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Supreme Court, U. S.
F I L E D

JAN 5 1998

No. 96-1768

CLERK

IN THE
Supreme Court of the United States
OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

**I. THE COPYRIGHT ACT GUARANTEES THE
RIGHT TO A JURY TRIAL IN ACTIONS FOR
STATUTORY DAMAGES**

In arguing that Section 504(c) directs that decisions on statutory damages be made by a judge, Columbia first relies on authority establishing that “the words ‘court’ and ‘judge’ ‘have been used interchangeably.’ ” Resp. Br. 13 (quoting *In re United States*, 194 U.S. 194, 196 (1904)). The point is undisputed. Columbia goes astray, however, in contending that references to “the court” *always* include *only* the trial judge, to the exclusion of the jury. It has no answer to our demonstration that such references have long been understood to include both judge and jury. Pet. Br. 12. While it takes issue with our use of dictionaries to support this proposition, Resp. Br. 16 n.14, it notes only that definitions equating “court” and “judge” are “[i]ncluded among the many definitions” of

these terms. That observation does nothing to undercut the fact that references to "court" may include the jury as well. Indeed, a dictionary cited by Columbia's amici states that the term "court" means "[a] body organized to administer justice, and including both judge and jury." *Black's Law Dictionary* 352 (6th ed. 1990) (emphasis supplied).¹

In the specific context of the copyright laws, moreover, references to "the court" historically have required a jury trial on demand. That much is plain from the 1856 Act, discussed in our opening brief and ignored by Columbia and its amici in their statutory discussions. That Act stated that damages in the context of dramatic compositions were to be assessed—in an "action on the case or other equivalent remedy" (i.e., at law)—"at such sum not less than one hundred dollars for the first, and fifty dollars for every subsequent performance, as to the court * * * shall appear to be just." Act of Aug. 18, 1856, ch. 169, 34th Cong., 1st Sess., 11 Stat. 138, 139 (emphasis supplied). It is undisputed that this language, requiring assessment of damages "as to the court shall appear to be just," was used in a context where Congress plainly understood that trial by jury would be available.²

The 1856 statute is not so readily divorced from the current statute as Columbia pretends. While Columbia claims that "[i]n lieu of damages were a complete departure from the

¹ *Black's Law Dictionary*, of course, defines the term "in its familiar legal sense," Resp. Br. 15, 16, thereby meeting Columbia's curious objection that we have relied on meanings of the term "court" outside the legal context. *Id.*

² Columbia effectively concedes that "court" in the 1856 Act means "jury." In discussing the remedial provisions of that Act, Columbia argues that the statute permitted an award of "actual damages with a floor." Resp. Br. 29. "[I]t is beyond dispute that a plaintiff who seeks to recover actual damages is entitled to a jury trial." 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, § 12.10[B] at 12-155 (1997). Thus, by Columbia's own admission, Congress in the 1856 Act used the term "as to the court shall appear to be just" when a jury determination of damages was plainly contemplated. This language was retained throughout the later congressional enactments. See *infra* at 3.

remedies Congress had authorized under prior statutes," Resp. Br. 31, this Court has already recognized that the 1856 Act is the direct historical antecedent of the remedial provisions in the 1909 and 1976 Acts. See Pet. Br. 15-16. In *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 107 (1919), the Court observed that the pertinent remedial provisions of the 1856 Act and similar subsequent acts "were brought together in the 'in lieu' provision" of the 1909 Act. See also *id.* at 109 ("terms of [the 1856 Act] were substantially repeated in the 'in lieu' provision of the [1909] Act"). It is undisputed that the 1976 Act, in turn, effectively reenacted the 1909 Act in pertinent part. Thus, the statutory damages provision at issue here did not emerge Athena-like in 1909, but rather directly traces its lineage to earlier provisions—provisions that indisputably preserved a jury trial opportunity.

The pedigree of the 1976 Act is also evident from the language Congress used. Both the 1909 and 1976 Acts carried forward essentially the same language that was understood in the context of the 1856 Act to require a jury where a party so desired. Thus, while the 1856 Act directed assessment of damages "as to the court shall appear to be just," the 1909 Act applied those remedies to additional types of infringement and permitted "in lieu of" damages "as to the court shall appear to be just." Act of Mar. 4, 1909, ch. 320, § 25(b), 60th Cong., 2d Sess., 35 Stat. 1075, 1081. The 1976 Act likewise permits statutory damages "as the court considers just." 17 U.S.C. § 504(c)(1).

Columbia ignores all this, examining only the "scant legislative history" of the 1976 Act itself, from which it finds no "meaningful * * * light on the issue before the Court." Resp. Br. 19. Columbia, however, offers no basis for discarding the settled principle that provisions drawn from earlier statutes are presumed to bring with them the meanings of those earlier enactments. See Pet. Br. 18.³

³ One of Columbia's amici relies on a passage from a committee report discussing an earlier proposal, considered two years before the passage of the 1909 Act. See NFL Br. 11-12. The other por-

The lesson drawn from the pertinent history—that the statute guarantees a jury trial right—is confirmed by judicial interpretations extant at the time the 1976 Act was adopted. See Pet. Br. 19. Columbia tries to counter with *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77 (1st Cir. 1957), but does not dispute that that decision rested on the assumption—discredited almost immediately, and well before 1976—that a court of equity could award damages as “incidental to the relief by way of injunction.” *Id.* at 81-82. See Pet. Br. 19. Columbia does attempt to distinguish *Mail & Express Co. v. Life Publishing Co.*, 192 F. 899 (2d Cir. 1912), see Resp. Br. 20 n.17, but cannot account for the fact that the court in that case expressly rejected the entire premise of Columbia’s statutory argument—that “court” means judge alone. See 192 F. at 901 (“we do not think that by the use of the word ‘court’ it is required that the judge acting by himself shall assess the damages”).

Columbia argues that Congress in 1976 overwrote the history of the statutory damages provision when it (a) used the term “court” in other portions of the statute to refer to the judge, and (b) permitted the plaintiff to elect statutory damages “at any time before final judgment is rendered.” Resp. Br. 13-15. These arguments are unavailing.

The former argument is grounded in Columbia’s refusal to recognize the historical pedigree of Section 504(c), and ignores the structure of the 1976 Act. Under that structure, equitable relief is provided in Sections 502 and 503, attor-

tions of legislative history cited in that brief, *id.* at 12-13, establish only that some understood that statutory damages could be awarded by a judge where the infringement action was otherwise already in equity because of other relief that had been sought (*e.g.*, an injunction). That understanding neither establishes that Congress believed statutory damages were themselves equitable nor survives this Court’s subsequent teaching in *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959), that legal remedies require a jury even where they are considered incidental to equitable relief. Indeed, the NFL brief concedes that in cases brought on the law side of the courts, “a jury would resolve the statutory damages question.” NFL Br. 14 n.13.

neys’ fees in Section 505, and criminal penalties in Section 506. In Section 504, entitled “Remedies for Infringement: Damages and Profits,” Congress provided legal remedies—as it certainly would have understood “damages” to be. Given the historical understanding of the language of Section 504(c), the structure of the 1976 Act, and the time-honored understanding that “damages”—including specifically damages under the Copyright Act—were properly assessed by a jury, Columbia’s reliance on the language used by Congress in *other* sections of the Act cannot carry the day. In each of these instances—for example, the reference in Section 502 to the “court” awarding injunctions—the term “court” is understood to refer to the judge alone in light of the particular context and longstanding historical practice. Here, that same reference to context and historical practice establishes that a jury is available under Section 504(c).

Nor does Columbia’s reliance on the timing of the statutory damages election override the historical understanding of the statutory language. Columbia asserts that it would “defy common sense” to require a jury determining actual damages to “reassemble after having been dismissed” to consider statutory damages if a plaintiff made the election after the jury’s verdict. Resp. Br. 15. The judge, however, need only inform the plaintiff that judgment will be entered promptly after a verdict on actual damages, thereby requiring the plaintiff to make its Section 504(c) election while the jury is still empaneled. See Fed. R. Civ. P. 58 (requiring that judgment be entered “forthwith” following a jury verdict). The experience of the three Circuit courts, and district courts elsewhere, that have authorized jury trials on statutory damages for many years confirms that no practical problems have arisen from the election language.

In sum, Columbia’s argument rests on little more than a reading of the ambiguous word “court” divorced from its legislative and historical context. Properly understood, the remedy of statutory damages in Section 504(c) carries with it a direction from Congress that a jury be available to award such damages. Certainly such a reading of the statute is

“‘fairly possible,’” *Tull v. United States*, 481 U.S. 412, 417 n.3 (1987) (citation omitted), thereby permitting the Court to avoid the constitutional question that would otherwise be presented.

II. THE SEVENTH AMENDMENT GUARANTEES THE RIGHT TO A JURY TRIAL ON ALL ISSUES PERTAINING TO THE IMPOSITION OF STATUTORY DAMAGES

A. Copyright Actions Seeking Statutory Damages Were Historically Tried In Courts Of Law

Columbia asserts that the first factor in the Seventh Amendment analysis—the comparison with 18th century actions—is “neither fruitful nor probative of the issue before the Court.” Resp. Br. 26. In fact, a comparison with pre-1791 precedents establishes that a claim for statutory damages under Section 504(c) is a legal claim triable to a jury upon demand.⁴

Columbia argues that the historical inquiry is irrelevant to this case because 18th century copyright actions were either legal or equitable, “depending on the remedy sought.” Resp.

⁴ Columbia faults us for using the term “statutory damages” to refer to “any damages authorized by a statute.” Resp. Br. 7. We are unrepentant. We are aware of no other legal term that accurately describes amounts, other than actual damages, payable to a private party pursuant to a statutory provision, and Columbia’s effort to affix a distinguishing label to the statutory damages in Section 504(c) (“Statutory Damages”) only confirms that point. It is not true, as Columbia contends, that statutory damages in the early English and federal copyright statutes were “civil penalties.” *Id.* at 7 n.10. As we have shown (*see* Pet. Br. 45-46), civil penalties are quite different from statutory damages in that they are paid entirely to the government, not private parties, to enforce public regulatory objectives. Nor is it true that courts have not used the term “statutory damages” to denote pre-1909 remedies under the Copyright Act. *See Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202, 206 (1931) (remedial provisions of the Copyright Act of 1909 were intended “to incorporate in one section all of the civil remedies theretofore given, including statutory damages where the actual proof was lacking”) (emphasis supplied).

Br. 25. The question under this Court’s historical test, however, is whether Columbia’s claim for statutory damages (rather than some other remedy) is analogous to a specific claim triable either at law or in equity prior to the adoption of the Seventh Amendment. The historical inquiry will often yield different results for the same cause of action “depending on the remedy sought.” Historically, for example, a contract action was either legal or equitable, depending on whether the plaintiff sought damages or an injunction. The historical inquiry, far from being irrelevant in such circumstances, conclusively provides the answer.

So too in this case. Columbia stakes much of its argument on its claim that “nothing even remotely like the relief authorized under Section 504(c) was available under any statute when the Seventh Amendment was adopted or for well over 100 years thereafter.” Resp. Br. 32; *see also id.* at 21 (1909 Act established “novel” form of relief “entirely distinct” from remedies under prior statutes); *id.* at 27 (Section 504(c) statutory damages “have no historical parallel” because “[n]othing like this remedy” was available until 1909). According to Columbia, the relief authorized by Section 504(c)—discretionary damages awarded from within a range of amounts—is entirely different from any remedy existing prior to 1791.

This assertion is simply not true. As we emphasized in our opening brief (*see* Pet. Br. 28, 30), in 1783 no fewer than three states (acting in response to a specific recommendation from the Continental Congress) enacted copyright statutes with remedial provisions virtually identical to Section 504(c), all of which were expressly enforceable only through actions *at law*. For example, New Hampshire’s statute provided that a copyright infringer

shall forfeit and pay a sum not exceeding one thousand pounds nor less than five pounds, to the use of such author or authors, or their assigns; to be recovered by action of debt in any court of record proper to try the same. [U.S. Copyright Office, *Copyright Enactments: Laws Passed in the United States Since 1783 Relating to*

Copyright, 140 Copyright Office Bulletin No. 3 at 8 (1973) (emphasis supplied).]

The Massachusetts and Rhode Island statutes contained nearly identical language, although the maximum award in those states was 3,000 pounds. *Id.* at 4, 9.

Columbia and its amici ignore these statutes completely, perhaps because they belie Columbia's central premise that ranges of discretionary damages like those in Section 504(c) were entirely unknown prior to the adoption of the Seventh Amendment.⁵ As shown, lawmakers of that time not only were familiar with such remedies, but also knew that they were to be awarded by juries in actions at law.⁶ These statutes, moreover, belie Columbia's assertions that the other statutory damages remedies of the day involved wholly different types of claims from that at issue here. To the contrary, when Congress established statutory damages in the Copyright Act of 1790—which Columbia concedes were enforceable only at law, *see* Resp. Br. 29—it described the

⁵ These statutes did not merely authorize an award of actual damages, as shown by the fact that they used the language of forfeiture and were enforceable only through an action for debt. An action for debt was typically employed for the recovery of money lent, but was also employed for the recovery of statutory penalties, forfeitures, and amercements. *See* F.W. Maitland, *The Forms of Action at Common Law* 63 (1963 ed.). It was *not* used, however, for recovery of compensatory damages. *Id.* Thus, in the Copyright Act of 1790, Congress provided that recovery of statutory damages (for infringement of copyright in a published work) would be by an action for debt, but recovery of actual damages (for infringement of copyright in an unpublished work) would be by a special action on the case. *See* Act of May 31, 1790, ch. 15, §§ 2, 6, 1st Cong., 2d Sess., 1 Stat. 124, 125.

⁶ Although some procedures in the states varied from English practice, there is no indication of any variation in the fundamental principle that an action for debt was an action at law triable to a jury. *Cf. Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1389 n.3 (1996) (although historical test does not deal with possible conflict between English and American practices, "[n]o such complications arise in this case").

nature of that remedy using the *same* language as found in these state statutes.⁷

Columbia is also incorrect in its assertion that the sort of remedy provided by Section 504(c) is unique. *See* Resp. Br. 7-9. In fact, this Court has seen such a remedy before, and has found it to be legal, not equitable. In *Porter v. Warner Holding Co.*, 328 U.S. 395 (1946), the Court held that Section 205(a) of the Emergency Price Control Act of 1942 authorized restitution of overcharges as an equitable remedy. The Court noted that another provision of the Act—Section 205(e)—authorized aggrieved parties to sue for damages. 328 U.S. at 401. Section 205(e) set the amount recoverable at the greater of (1) not more than three times the amount of the overcharge, "as the court in its discretion may determine," or (2) not less than \$25 or more than \$50, "as the court in its discretion may determine," provided that the recovery shall be the overcharge or \$25, whichever is greater, if the defendant proves the violations were not willful. *See id.* at 406-407 n.9 (dissenting opinion) (setting forth text of Section 205(e)). This provision is substantively indistinguishable from Section 504(c)—it provides for an aggrieved private party to recover statutory damages (not actual damages) in a discretionary amount within a range, with a variation in recovery depending on the defendant's state of mind. In the course of its decision, this Court confirmed that "a court giving relief under § 205(e) [as opposed to § 205(a)] acts as a court of law rather than as a court of equity." 328 U.S. at 402 (emphasis supplied).⁸ The same conclusion follows with respect to Section 504(c).

⁷ *See* Act of May 31, 1790, ch. 15, § 2, 1st Cong., 2d Sess., 1 Stat. 124, 125 (copyright infringers "shall * * * forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession * * * to be recovered by action of debt in any court of record in the United States, wherein the same is cognizable") (emphasis supplied).

⁸ The significance of this Court's statement did not escape the lower courts; in reliance on it, courts of appeals held that actions under Section 205(e) and its counterpart in related statutes had to be tried to a jury. *See, e.g., Leimer v. Woods*, 196 F.2d 828, 832

Thus, the fixed amounts of statutory damages found in the early federal and English statutes and the ranges found in early state statutes and Section 504(c)—far from being entirely distinct remedies as Columbia contends—were all considered before the adoption of the Seventh Amendment to be claims enforceable only at law. When this fact is considered in light of Columbia's failure to identify *any* equitable claim of the day even remotely analogous to a claim for statutory damages under Section 504(c), it becomes apparent that the latter is a legal claim triable to a jury on demand.

B. Statutory Damages Are Not An Equitable Remedy

1. Columbia's analysis under the second prong of this Court's test, the nature of the remedy, is similarly flawed. Because Columbia is seeking *damages* in this case—the hallmark of a legal remedy—it bears a formidable burden to demonstrate that such relief is equitable. As we have noted (*see* Pet. Br. 30-31), the Court has found an "exception to the general rule" that a claim for damages is legal only in certain narrow circumstances based on clear historical practice. *Chauffeurs, Teamsters and Helpers, Local No. 391 v. Terry*, 494 U.S. 558, 570-571 (1990). Columbia therefore must show that these damages fall within one of the narrow categories of cases where courts of equity were traditionally authorized to award monetary relief.

Columbia has not come close to carrying its burden. It does not even *attempt* to argue that the damages it seeks fit into any historical exception (such as purely restitutionary awards), nor does it point to *any* traditionally equitable monetary remedy that even remotely resembles statutory damages under Section 504(c).⁹ Instead, as noted, Columbia

(8th Cir. 1952); *Orenstein v. United States*, 191 F.2d 184, 189-190 (1st Cir. 1951). Indeed, this Court itself cited the discussion of Section 205(e) in *Porter* in support of the proposition that "[t]he Seventh Amendment does apply to actions enforcing statutory rights." *Curtis v. Loether*, 415 U.S. 189, 194 & n.7 (1974) (citing *Porter*, 328 U.S. at 401-402).

⁹ Columbia attempts to compare statutory damages to only one equitable monetary remedy—awards of sanctions and costs,

asserts that such damages have no historical precedent at all. That assertion, as we have shown, is erroneous; but regardless, Columbia's failure to identify any analogous equitable remedy is fatal to its argument.

2. Rather than attempting to analogize an award of statutory damages under Section 504(c) to any monetary remedy traditionally awarded by courts of equity, Columbia contends primarily that such an award *must* be equitable because it involves the exercise of discretion. *See* Resp. Br. 34-35. This Court, however, flatly rejected this argument in *Tull* with respect to the civil penalties at issue there. As the Court explained, a monetary remedy is not rendered equitable merely because it "is not fixed or readily calculable from a fixed formula." 481 U.S. at 422 n.7.

Although the penalties at issue in *Tull*—fines paid entirely to the government in order to enforce and implement a complex regulatory scheme—are significantly different from statutory damages, the Court's rejection of the argument that the indeterminate nature of the award somehow renders the proceeding equitable in nature is fully applicable here. Historically, chancery courts exercised broad discretion in formulating their own equitable remedies, most notably injunctions, but it was *juries* in courts of law that imposed discretionary awards of *damages*. *See* Pet. Br. 43-44; 2 Dan B. Dobbs, *Law of Remedies* § 6.10(5) at 228 (2d ed. 1993) [hereinafter "Dobbs"] ("If a case is equitable, the judge may have discretion that is denied to the judge at law, but this hardly suggests that either the judge or the Congress could

including attorneys' fees. *See* Resp. Br. 38. This analogy is inapt. Although this Court has not directly addressed the status of such awards under the Seventh Amendment, there is a historical basis for characterizing such relief as equitable (at least where it is not based on a contract), because judges in England traditionally were empowered to award costs and fees. *See Alyeska Pipeline Serv. Co. v. Wilderness Society*, 421 U.S. 240, 247 & n.18 (1975). But whatever the status of ancillary awards of sanctions and costs, they bear no relation to the core damages award at issue here.

convert a legal claim into a non-jury [claim] in equity by clouding the remedy with discretion.”¹⁰

Likewise, Columbia and its amici are wrong to contend that because the assessment of statutory damages under Section 504(c) involves the weighing or balancing of a variety of factors, it cannot be a legal remedy to be awarded by a jury. See, e.g., Resp. Br. 35; NFL Br. 26-27; ASCAP Br. 3. One need only peruse any standard collection of jury instructions—including those in copyright cases—to confirm that the weighing of a variety of indeterminate factors is central to the jury’s mission.¹¹ Indeed, it is precisely when a decision

¹⁰ One of Columbia’s amici (IACC Br. 23-24) misinterprets then-Justice Rehnquist’s concurring opinion in *Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1975). That opinion noted that backpay under Title VII is an equitable remedy in part because the court “retains substantial discretion as to whether or not to award backpay notwithstanding a finding of unlawful discrimination.” *Id.* at 443. Discretion *whether* to award relief—not the exercise of discretion *in* awarding relief—is an attribute of equitable as opposed to legal remedies. As the opinion went on to note, “[t]o the extent that discretion is replaced by awards which follow as a matter of course from a finding of wrongdoing, the action of the court in making such awards could not be fairly characterized as equitable in character.” *Id.* Under Section 504(c), the decision-maker has no discretion whether to award statutory damages (at least in the minimum amount) upon a finding of wrongdoing. See 1 Dobbs, *supra*, § 2.4(7) at 116 (exercise of discretion is “qualitatively different” with respect to legal and equitable remedies because “[j]udges and juries are not permitted to say that the plaintiff was injured as a proximate result of the defendant’s negligence but that, as a matter of discretion, all money damages will be denied. Yet in equity, all equitable relief can be denied as a matter of discretion”).

¹¹ See, e.g., Edward J. Devitt, Charles B. Blackmar, and Michael A. Wolff, 3 *Federal Jury Practice and Instructions* § 99.08 at 816 (1987) (nonexclusive list of three factors for jury to consider in determining copyright infringement); *id.* § 99.09 at 820-821 (nonexclusive list of four factors for jury to consider in determining fair use in copyright infringement action); *id.* § 90.17 at 463 (nonexclusive list of five factors for jury to consider in determining if restraint of interstate commerce was unreasonable under Sherman Act); *id.* § 102.30 at 922-925 (nonexclusive list of

is to be made based on weighing the totality of circumstances that “we call what remains to be decided a question of fact—which means not only that it is meant for the jury rather than the judge, but also that there is no single ‘right’ answer.” Antonin Scalia, *The Rule of Law as a Law of Rules*, 56 U. Chi. L. Rev. 1175, 1181 (1989).

In fact, as we have shown, it is when determinations of damages are discretionary that the traditional role of the jury is at its zenith. See Pet. Br. 43. It is also in such circumstances that the historic reasons underlying the Seventh Amendment are most directly implicated. Columbia and its amici represent a broad array of significant copyright holders, and they uniformly believe that their interests will fare better if they can enforce their property rights before judges rather than juries. At the time of the Framing, however, those advocating preserving the right to trial by jury were animated by a concern—borne out by their experience at the hands of British judges—that judges under the new Constitution would favor the interests of property holders and creditors.¹² Although Columbia and its amici object to giving juries discretion to fix statutory damages within the statutory range, the Framers of the Seventh Amendment were more concerned with the notion of leaving such power in the hands of judges.

3. Columbia also makes much of the facts that under Section 504(c) a plaintiff may elect either actual or statutory damages, and that statutory damages were afforded as an additional remedy because actual damages can be difficult to

thirteen factors for jury to consider in determining whether payments were debt or equity).

¹² See, e.g., 1 *The Debate on the Constitution* 84 (Bernard Bailyn, ed. 1993) (Freeman’s Journal, Oct. 24, 1787); *id.* at 279-280 (Letter IV, Federal Farmer, Oct. 12, 1787); see also Alan Howard Scheiner, *Judicial Assessment of Punitive Damages, the Seventh Amendment, and the Politics of Jury Power*, 91 Colum. L. Rev. 142, 150-153, 158 (1991); Charles W. Wolfram, *The Constitutional History of the Seventh Amendment*, 57 Minn. L. Rev. 639, 708 (1973).

prove. See Resp. Br. 33-34. In fact, the provision allowing statutory damages at a plaintiff's sole election supports our position, not Columbia's, because it makes clear that the damages will be awarded *without* any showing that other legal remedies are inadequate—a necessary predicate to the award of equitable relief. See Pet. Br. 36.

Nor are statutory damages rendered equitable merely because one of the motivations for their enactment was the difficulty of proving actual damages in some cases. To the contrary, as we have shown (see Pet. Br. 31-32), this same concern motivated Parliament to establish fixed amounts of statutory damages in the Statute of Anne—damages that Columbia *concedes* were legal, not equitable, in nature. See Resp. Br. 27. Thus, statutory damages, whether fixed amounts or ranges, do not supplement an inadequate legal remedy with an equitable one, but rather provide an alternative *legal* remedy to actual damages.

4. Finally, Columbia has failed to establish that the underlying purposes of statutory damages are equitable in nature. As we have shown, such damages are intended to serve the purposes of compensation, punishment, and deterrence—all traditional functions of *legal* remedies. Columbia responds that a particular award of statutory damages may, but need not, bear a direct relationship to these purposes. Resp. Br. 37-38 & n.26; see also NFL Br. 22. But the converse is even more accurate: it is highly unlikely that the award will bear any relationship whatever to traditionally equitable purposes, such as restitution. Columbia apparently contends that because statutory damages are intended to serve multiple purposes in a single award, they cannot be characterized as legal in nature. This analysis is entirely backwards. The Seventh Amendment preserves the right to a jury trial in all cases except “those where equitable rights *alone* were recognized.” *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 41 (1989) (citation omitted; emphasis supplied). Columbia has not shown that its claim for statutory damages falls within this narrow category of cases, and the Seventh Amendment therefore requires that the claim be tried to a jury upon demand.

C. The Jury Trial Right Extends To All Issues

Once the Court determines, as it should, that a claim for statutory damages under Section 504(c) is a legal claim triable to a jury on demand, the only remaining task is to determine which particular issues must be decided by that jury. That question, in turn, is governed by a historical test: if the jury would have decided a particular issue prior to the adoption of the Seventh Amendment, then the same is true today. See *Markman*, 116 S. Ct. at 1390. When that test is applied to Columbia's claim, it becomes apparent that the jury must determine all issues pertinent to the imposition of statutory damages under Section 504(c).¹³

1. Columbia appears not to dispute that if a claim for statutory damages is to be tried to a jury, the jury must decide factual issues pertaining to the number of infringements upon which statutory damages are calculated (or, as Columbia puts it, the number of works infringed). Instead, Columbia contends that there are no such factual issues in this case, because the number of infringements was determined as a matter of law. Resp. Br. 46-48. That contention is not supported by the decision below. As we have noted (see Pet. Br. 38 n.28), the Court of Appeals treated the District Court's resolution of these issues as factual findings, holding that the “evidence support[ed]” one finding, and that Feltner had failed to demonstrate that another “finding” was “erroneous.” Pet. App. 15a, 17a. In fact, Columbia admits that “the number of copyrighted works infringed by each infringer” was a “question which remained at trial.” Resp. Br. 3 n.3

¹³ Columbia avoids almost any mention of whether a judge or a jury must determine the question of infringement where that issue survives for trial. There can be no dispute that if the Court determines that a claim for statutory damages is legal in nature, the jury must decide infringement. See Pet. Br. 37-38 n.27. It should be noted, however, that under Columbia's theory that a claim for statutory damages is equitable in nature, the judge would decide *all* issues in the case, including the question of infringement. Thus, if Columbia prevails on its characterization of the claim as equitable, a plaintiff could avoid a jury on the critical question of infringement itself simply by electing one form of damages over another.

(emphasis omitted). Because Columbia does not dispute that factual issues pertaining to the number of infringements are for the jury if the claim itself is so triable, the jury must determine these questions on remand.¹⁴

2. There likewise can be little question that the jury must determine the factual questions of willfulness and innocence.¹⁵ Columbia contends that because willfulness and innocence affect the amount of statutory damages, rather than underlying liability, these concededly factual issues need not be determined by a jury. See Resp. Br. 45. This argument proves far too much. Even if Columbia were correct (and it is not) that the amount of damages is for the judge to determine, *all* findings of material fact—for example, a finding that a particular infringing broadcast did or did not occur—can be characterized as affecting the amount of damages in some way. Thus, Columbia's argument, if accepted, would leave no role at all for the jury.

¹⁴ Columbia contends that Feltner characterized these issues as "legal" questions in his pretrial brief. *Id.* at 4, 47. That brief makes clear that Feltner considered these issues to be mixed questions of fact and law, depending on the evidence to be adduced at trial. See, e.g., Def. Mem. of Contentions of Fact and Law 20-21 (R. 263) (each series is a collective work in light of factual evidence that individual episodes have no independent economic viability).

¹⁵ Although Columbia concedes it never moved for summary judgment on the issue, it now contends that the evidence "mandated" a finding of willfulness. Resp. Br. 45-46 n.31. It suffices to note that the courts below did not so hold. The District Court rendered its finding on willfulness only after a full bench trial (see Pet. App. 22a-23a), and the Court of Appeals affirmed that finding under the "clearly erroneous" standard of review applicable to factual questions after noting that "Feltner's arguments, at best, demonstrate that the facts presented to the district court were susceptible to more than one interpretation." *Id.* 13a (emphasis supplied). It is certainly possible that a jury presented with the evidence (including evidence that Feltner may have chosen not to present at a bench trial) would reach a different result. Indeed, it is the very premise of the Seventh Amendment that judges and juries might reach different results, even on the same evidence.

Moreover, the factual questions of willfulness and innocence bear none of the attributes that Columbia and its amici have contended require a judicial determination of the amount of damages. Unlike other factors that may influence the amount of statutory damages, and unlike the factors influencing the amount of the civil penalties at issue in *Tull*, findings on willfulness and innocence are mandatory under Section 504(c). Furthermore, unlike selecting the amount of damages to be awarded per work infringed, determining the defendant's state of mind is a pure factual question not entailing a wide exercise of discretion.

Thus, it is not surprising that Columbia cites *no* instance, either before or after 1791, in which judges have been permitted to make mandatory findings on the question of willfulness or innocence in connection with legal claims. It is irrelevant whether judges may make willfulness findings with respect to *equitable* claims, such as for attorneys' fees. See Resp. Br. 45; *supra* note 9. Once the Court determines that a claim for statutory damages is a legal claim triable to a jury, the remaining question is whether the jury must determine the specific issues of willfulness and innocence in order to preserve the substance of the common law right. As we have shown, there is no precedent for entrusting that basic factual determination to the judge. Just as it must determine the question of infringement, the jury must also determine whether that infringement was willful or innocent.¹⁶

3. The amount of damages within the statutory range is likewise for the jury to determine. Columbia's contrary

¹⁶ Columbia attempts to dodge the issue by contending that the willfulness finding was irrelevant here given the District Court's decision to assess damages at \$20,000 per work infringed, which would have been the maximum possible without such a finding. See Resp. Br. 9, 23, 44. There is no basis for Columbia's assertion. The District Court specifically noted the wider range applicable to willful infringement before determining the amount within that range. See Pet. App. 23a. The Court of Appeals then affirmed that amount only after noting that the maximum award was \$100,000 and that the District Court's award was "well within the statutory limits." *Id.* 18a.

argument relies almost entirely on a single sentence in *Tull*, in which the Court remarked that “[s]ince Congress itself may fix the civil penalties, it may delegate that determination to trial judges.” 481 U.S. at 427. Whatever relevance that statement may have had to the civil penalties at issue in *Tull*, it has none here.¹⁷

Congress’ ability to fix damages for statutory causes of action says nothing about whether a judge may assess such damages over a party’s objection when Congress has not fixed them. See, e.g., Geoffrey C. Hazard, Jr., *et al.*, *Cases and Materials on Pleading and Procedure* 1105 (7th ed. 1994) (characterizing statement in *Tull* as a “blithe nonsequitur”). Congress could fix the amount of damages as between private parties under *any* statutory cause of action, yet it has never been suggested that the Seventh Amendment permits judicial determination of damages as a result. For example, because Congress could prescribe the amount of damages for breaches of certain contracts, it does not follow that a party could prevent a jury determination of such indisputably legal damages when the amount has not been fixed. Indeed, Columbia’s argument, if accepted, would mean that there is no right to a jury determination of *actual* damages for copyright infringement under Section 504(b)—a result plainly at odds with this Court’s Seventh Amendment jurisprudence and the historical role of juries in copyright actions.¹⁸

¹⁷ The Court may have been referring in that sentence to the “public rights” doctrine that allows Congress to delegate to administrative agencies (and perhaps, as in *Tull*, to judges) the adjudication of issues relating to claims asserted by the government in its sovereign capacity. See *Granfinanciera*, 492 U.S. at 51-54 & n.8. This doctrine does not apply to cases, like this one, involving “private rights,” defined as “liability of one individual to another under the law as defined.” *Id.* at 51 n.8 (citation omitted).

¹⁸ It is of no moment that copyright is a statutory right, as the Court has made clear that the Seventh Amendment applies in the same manner to statutory and common law claims. See *Curtis*, 415 U.S. at 193-194. Moreover, it is not true, as Columbia contends, that the amount of damages for copyright infringement was always fixed by statute. See Resp. Br. 42-43 & nn. 28, 29.

As we have shown, the import of this aspect of *Tull* is limited, at most, to the context of civil penalties.¹⁹ By contrast, in cases like this involving damages payable to a private party for infringement of a property right, it has always been the fundamental role of the jury to assess such damages, no more so than where the damages are discretionary and uncertain. In our opening brief, we discussed numerous precedents in support of the basic proposition that the jury must decide the amount of damages, from early English cases holding that “by the law the jury are judges of the damages,” *Lord Townshend v. Hughes*, 2 Mod. 150, 151, 86 Eng. Rep. 994, 994-995 (C.P. 1677), to Chief Justice Marshall’s opinion in *Bank of Hamilton v. Dudley’s Lessee*, 27 U.S. (2 Pet.) 492, 525 (1829), holding that the amount due under a statutory provision was a question which, in light of the Seventh Amendment, “must be submitted to a jury,” to *Dimick v. Scheidt*, 293 U.S. 474 (1935), barring additur and unconditional remittitur. See Pet. Br. 41-44. Columbia has no answer: it fails even to cite, much less distinguish, any of these precedents, and cites *no* instance—and we are aware of none—in which judges were historically permitted to assess damages in an action tried at law.

In the Framers’ view, the central purpose of the jury was to protect against judicial bias and corruption. See, e.g., *The Federalist* No. 83, at 501 (Alexander Hamilton) (Clinton Rossiter ed. 1961); Pet. Br. 21-23. That purpose may not be implicated with respect to damage assessment when Congress fixes the amount recoverable, but plainly is implicated

Copyright was originally a common law right in England enforceable through actions for actual damages in courts of law, see Pet. Br. 25, and the first federal copyright statute provided for the recovery of actual as well as statutory damages. See *supra* note 5.

¹⁹ See Pet. Br. 45-46; *Defender Industries, Inc. v. Northwestern Mut. Life Ins. Co.*, 938 F.2d 502, 506 (4th Cir. 1991) (“While *Tull* does contain some rather broad language, the Court was deciding only the issue of whether the determination of the amount of a civil penalty imposed for violation of a federal statute could be delegated to the trial judge without the necessity of a jury determination.”), *cert. denied*, 509 U.S. 923 (1993).

when the amount is to be selected by a judge from within a broad range. The breadth of the range here—\$250 to \$100,000 per work infringed—highlights the concern. The assertion that because Congress can fix the amount of damages, it can authorize judges to do so, wholly ignores the Framers' conception of the jury as a vital check on judicial power. The discretionary nature of statutory damages, far from negating a right to a jury determination of the amount, in fact compels one.

A citizen in 1791 told that copyright statutory damages would be assessed against him by a judge would surely feel that he had lost something of the common law jury trial right; after all, such actions had historically been tried at law, in England and America. Telling that citizen that the judge would have absolute discretion to set the amount of the levy against him within a broad range would make matters *worse*, not better as Columbia contends; and telling him that the judge's discretion would effectively be unreviewable would only confirm the totality of the loss.

CONCLUSION

For the foregoing reasons, and those in our opening brief, the judgment of the Court of Appeals should be reversed.

Respectfully submitted,

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No. 96-1768

Supreme Court, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,
Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

Motion for leave to file *Amicus Curiae* Brief and
Brief of Howard B. Abrams
as *amicus curiae* in support of Petitioner

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QUESTION PRESENTED FOR REVIEW

Whether 17 U.S.C. Section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement.

The other questions presented for review in this case are not addressed in this brief.

Service on Attorneys of Record

Service of a copy of this Motion for leave to file *Amicus Curiae* Brief and Brief of Howard B. Abrams as *amicus curiae* in support of Petitioner was made upon the attorneys of record for the petitioner and the respondent by sending copies via Airborne Express to John G. Roberts, Jr., Hogan & Hartson L.L.P., 555 Thirteenth Street N.W., Washington, D.C., 20004 (Airborne Express airbill number 4078882570), the attorney for the Petitioner, and to Henry J. Tashman, Davis, Wright & Tremaine, 1000 Wilshire Boulevard, Suite 600, Los Angeles, California, 90017 (Airborne Express airbill number 4078882474) on Wednesday, November 12, 1997, for delivery on the morning of Thursday, November 13, 1997.

**In The
Supreme Court of the United States
October Term, 1997**

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as *Amicus Curiae* in Support of Petitioner**

**MOTION FOR LEAVE TO FILE
AMICUS CURIAE BRIEF**

Pursuant to Rule 37.4, Howard B. Abrams requests leave of this court to file the following amicus curiae brief in support of the petitioner in the case of C. Elvin Feltnner, Jr., Petitioner, v. Columbia Pictures Television, Inc., Respondent, No. 96-1768, now pending before this Court. In support of this motion, makes the following representations to this Court:

1. He is a member of the bar of this Court.
2. He has received permission to file this brief from John Glover Roberts, Jr., the attorney for the petitioner.
3. He called the office Henry J. Tashman, the attorney for the respondent, (213) 229-9600, on Monday, November 10, 1997, and on Tuesday, November 11, 1997, to request permission to file this brief but Mr. Tashman was out of the office. Thus permission to file this brief has not been received from the attorney for the respondent.
4. The amicus curiae is a Professor of Law who has taught, written and specialized in copyright law.

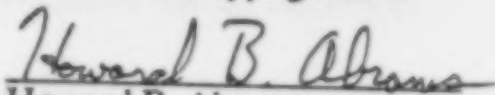

Howard B. Abrams
Wednesday, November 12, 1997

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Webster v. Daly, 163 U.S. 155 (1896) - p. 15.

Zenith Radio Corp. v. Matsushita Electric Industrial Corp. (In re Japanese Electronic Products Antitrust Litigation), 478 F.Supp. 889 (E.D.Pa. 1979), *rev'd*, 631 F.2D 1069 (3d Cir. 1980) (2-1) - p. 29.

Treatise, Dictionary, Encyclopedias and Reporter

2 HOWARD B. ABRAMS, *THE LAW OF COPYRIGHT*, § 16.04[D] (1997) - pp. 3 n.1.

BLACK'S LAW DICTIONARY 1251 (6th ed. 1990) - p. 7 n.4.

70 C.J.S. *Penalties* § 11 (1987) - p. 7 n.4.

COPYRIGHT OFFICE, *DECISIONS OF THE UNITED STATES COURTS INVOLVING COPYRIGHT AND INTELLECTUAL PROPERTY 1789-1909 WITH AN ANALYTICAL INDEX*, COPYRIGHT OFFICE BULLETINS Nos. 13-16 (1980) - p. 13.

35A *WORDS AND PHRASES* 617 (permanent ed. 1963) - p. 7 n.4.

CONSTITUTIONAL AND
STATUTORY PROVISIONS

Seventh Amendment, United States Constitution:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.

Statutory Provisions:

Due to time constraints and the number and length of the statutory provisions involved, the amicus curiae was not able to type in the text of the relevant statutory provisions in time to file this brief in a timely fashion. If the typing can be completed in a timely manner, the amicus curiae plans to file a supplement to this brief setting forth the text of the statutory provisions cited in the brief.

INTEREST OF THE AMICUS CURIAE

The *amicus curiae* is a Professor of Law at the University of Detroit Mercy School of Law who has specialized, written* and taught in the area of copyright law. This brief is submitted in the belief that the courts which have denied jury trials on the issue of statutory damages have been unaware of the historical roots of the contemporary statutory damages provision in the purely legal remedies of the earlier American Copyright Acts which could be determined by a jury under pre-merger custom.

* HOWARD B. ABRAMS, THE LAW OF COPYRIGHT (2 vol. 1991, 1992, 1993, 1994, 1995, 1996, 1997) (treatise originally published by Clark Boardman Callaghan which subsequently merged with Thomson and Thomson, which in 1996 merged with West Publishing Company to form West Group Publishing); COPYRIGHT (1992) (casebook co-authored with Sheldon Halpern and David Shipley); *Standards of Qualification for the Protection of Literary and Artistic Property*, Académie Internationale de Droit Comparé, Rapports Généraux, XIVe Congrès International, Institut Hellénique de Droit International et Étranger, Athènes (International Academy of Comparative Law, General Reports, XIVth International Congress, Hellenic Institute of International and Foreign Law, Athens) 449-456 (1994); *Originality and Creativity in Copyright Law*, 55 LAW & CONTEMP. PROBS. 3-44 (No. 2, Spring 1992); *Authors' Rights in Light of New Technology*, 38 AMERICAN JOURNAL OF COMPARATIVE LAW 283-323 (Supp. 1990) (Report for the United States to the International Academy of Comparative Law on "Authors' Rights in Light of New Technology" for the XIIIth International Congress of Comparative Law held in Montréal, Canada, August, 1990); *Who's Sorry Now? Termination Rights and the Derivative Works Exception*, 62 UNIVERSITY OF DETROIT LAW REVIEW 181-243 (1985); *Copyright, Misappropriation and Preemption: Constitutional and Statutory Limits of State Law Protection*, 1983 SUPREME COURT REVIEW 509-581; *The Historic Foundation of American Copyright Law: Exploding the Myth of Common Law Copyright*, 29 WAYNE LAW REVIEW 1119-1191 (1983); *Goldstein v. California: Sound, Fury and Significance*, 1975 SUPREME COURT REVIEW 147-187 (co-authored with Robert H. Abrams).

SUMMARY OF ARGUMENT

The Seventh Amendment requires that issues of statutory damages be tried to a jury whenever a party makes a timely demand for a jury trial because the remedy is a legal rather than an equitable remedy. In *Ross v. Bernhard*, 396 U.S. 531 (1970), set forth three tests to determine whether there was a right to a jury trial:

As our cases indicate, the "legal" nature of an issue is determined by considering, first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries. Of these factors, the first, requiring extensive and possibly abstruse historical inquiry, is obviously the most difficult to apply.

Id. at 538, n. 10 (1970).

The legal nature of statutory damages is conclusively demonstrated as a matter of "pre-merger custom" by tracing the historic evolution of the statutory damages provision of the current Copyright Act, 17 U.S.C. § 504(c) (1994), from the first American Copyright Act, Act of May 31, 1790, ch. 15, 1 Stat. 124 (Peters ed. 1845), to the present day. *Infra* Argument §§ I-V. Today's statutory damages are the direct descendants of the *qui tam* recoveries in legal actions provided by the earlier American copyright acts.

The legal nature of the statutory damages remedy also points to the legal rather than equitable character of this remedy, *infra* Argument § VI, and the limitation of the Seventh Amendment's applicability based on the "practical abilities and limitations of juries" does not apply to statutory damages. *Infra* Argument § VII.

ARGUMENT

I. The Constitutional Background

Determination of statutory damages under section 504(c) of the Copyright Act, involving as it does one of the fundamental protections of the Bill of Rights—the Seventh Amendment's guarantee of a jury trial—raises a Constitutional rather than a purely copyright issue.¹

The Seventh Amendment of the U.S. Constitution provides that "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." U.S. Const. amend. 7. A series of cases arising after the merger of law and equity under the Federal Rules of Civil Procedure, presented the Supreme Court with the question of how to preserve the Constitutional right to a jury trial in an integrated court system.²

As the philosophical basis for its position, the Court has relied on the statement:

[The right to a jury trial extends] not merely suits, which the *common* law recognized among its old and settled proceedings, but suits in which *legal* rights were to be ascertained and determined, in contradistinction

1. The argument made in this brief is largely derived from the arguments on this issue presented in the author's treatise. 2 HOWARD B. ABRAMS, *THE LAW OF COPYRIGHT*, § 16.04[D] (1997).

2. The trio of *Ross v. Bernhard*, 396 U.S. 531 (1970), *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959), are usually regarded as the seminal decisions in the Supreme Court's analysis of the Seventh Amendment's guarantee of a jury trial after the merger of law and equity in the federal courts. See also *Tull v. United States*, 481 U.S. 412 (1987); *Pemell v. Southall Realty*, 416 U.S. 363 (1974); *Curtis v. Loether*, 415 U.S. 189 (1974).

to those where equitable rights alone were recognized, and equitable remedies were administered . . . In a just sense, the amendment then may well be construed to embrace all suits which are not of equity and admiralty jurisdiction, whatever may be the peculiar form which they may assume to settle legal rights.

Parsons v. Bedford, 28 U.S. (3 Pet.) 433, 447 (1830) (original emphasis); *quoted in Ross v. Bernhard*, 396 U.S. 531, 533 (1970), and in *Curtis v. Loether*, 415 U.S. 189, 191 (1974).

From this premise, the Supreme Court in *Ross v. Bernhard*, 396 U.S. 531 (1970), set out the three tests to be used to determine whether there was a right to a jury trial:

As our cases indicate, the "legal" nature of an issue is determined by considering, first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries. Of these factors, the first, requiring extensive and possibly abstruse historical inquiry, is obviously the most difficult to apply.

Id. at 538, n. 10 (1970). Similarly, in *Tull v. United States*, 481 U.S. 412 (1987), the Court described the inquiry as a two step process:

First, we compare the statutory action to 18th Century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature.

Id. at 417-18 (citations omitted).³ Using historical inquiry to find the closest analog to a modern statutory

3. It seems reasonable to infer that *Tull* listed on the first two tests in *Ross* because they are concerned with whether an action

cause of action in the proceedings in English courts at the time of the Seventh Amendment was adopted was given perhaps its fullest application in *Pernell v. Southall Realty*, 416 U.S. 363 (1974), where the Court engaged into a detailed and lengthy inquiry into the form of proceedings a landlord would use to evict a tenant for nonpayment of rent in London in 1791 to determine that a jury trial was required by the Seventh Amendment. *Id.* at 370-81.

Thus the first step in determining whether there is a right to a jury trial on the issue of statutory damages is to inquire as to the custom of the courts prior to the merger of law and equity.

II. The Evolution of Statutory Damages: 1789-1909

Tracing the evolution of monetary recoveries for infringement of copyright under American copyright statutes demonstrates that the statutory damage provision of the present Copyright Act is the direct descendant of the strictly legal monetary awards provided under the earlier British and American copyright statutes. Thus the first of the three tests for the right to a jury trial under the Seventh Amendment is satisfied.

A. 1790-1856: *Qui Tam* Recoveries as the Monetary Recoveries for Copyright Infringement

1. The Act of 1790: The First American Copyright Act

What we know today as statutory damages evolved directly from the earliest form of monetary awards allowed in copyright cases. The original American Copyright Act, Act of May 31, 1790, ch. 15, 1 Stat. 124 (Peters ed. 1845), adopted by the First Congress in 1790, pro-

(footnote continued from previous page)

qualifies for the Seventh Amendment's guarantee of a jury trial while the third test is designed to eliminate actions that would otherwise qualify.

vided only one form of monetary relief against infringers of published works:

[E]very such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession, either printed or printing, published, imported or exposed to sale, contrary to the true intent and meaning of this act, the one moiety thereof to the author or proprietor of such map, chart, book or books who shall sue for the same, and the other moiety thereof to and for the use of the United States, *to be recovered by action of debt* in any court of record in the United States, wherein the same is cognizable.

Id. § 2, 1 Stat. 124-25 (emphasis added). This provision was derived from the first English copyright act, the famous Statute of Anne. 8 Anne c. 19 (1710). The Statute of Anne provided the following monetary assessment against an infringer:

[S]uch offender or offenders shall forfeit one penny for every sheet which shall be found in his, her or their custody, either printed or printing, published, or exposed to sale, contrary to the true intent and meaning of this act; the one moiety thereof to the Queen's most excellent majesty, her heirs and successors, and the other moiety thereof to any person or persons that shall sue for the same, to be recovered in any of her Majesty's courts of record at Westminster, by action of debt, bill, plaint, or information, in which no wager of law, essoin, privilege, or protection, or more than one imparlance shall be allowed.

Id. § 1. The Statute of Anne thus provided the historical basis for the monetary remedy of a *qui tam*⁴ recovery for

4. "Qui tam" translates from the Latin as "who as well" and is

infringement of published works that was embodied in the early American copyright acts.

For purposes of the Seventh Amendment inquiry, it is indisputable that an action for money under this provision was an "action of debt," an action that indisputably belongs to the common law rather than to equity. Moreover, *qui tam* recoveries, the form of remedy granted by the contemporaneous English statute, are also indisputably of a legal nature.

Four characteristics of this remedy are important to note. First, and perhaps most importantly, this was the only form of monetary recovery from an infringer that was permitted for the infringement of a published work.⁵ Second, any money recovered from the infringer is divided equally between the United States and the author or copyright owner, the essence of a *qui tam* recovery. Third, only the proprietor of the copyright could bring the action, thus differing from most *qui tam* actions where any citizen or even the government could bring the action. Fourth, there is a mechanical, "multiplication table" approach to calculating the amount of the monetary judgment; legislatively fixed amount of money

(footnote continued from previous page)

shorthand for the Latin phrase "*qui tam pro domino rege quam pro ipso in hac parte sequitur*," which translates as "who sues on behalf of the King as well as for himself." The name *qui tam* action is applied to actions under statutes that authorize individuals to bring the action and divide the penalty recovered between the person bringing the action and the state. The designation *qui tam* action arose from the fact that the plaintiff sued "as well" for the state as for himself or herself. BLACK'S LAW DICTIONARY 1251 (6th ed. 1990). See also 35A WORDS AND PHRASES 617 (permanent ed. 1963); 70 C.J.S. *Penalties* § 11 (1987).

5. Purely compensatory damages were available only for infringement of unpublished manuscripts in an action on the case. Act of May 31, 1790, ch. 15, § 6, 1 Stat. 124, 125-26 (Peters ed. 1845).

is multiplied by the number of sheets of the infringing book, map or chart in the infringer's possession to determine the sum of money for which the infringer is liable. This multiplication table approach only gradually disappears from the monetary remedies for copyright infringement. It is also important to note that the original copyright act made no provision for any form of equitable relief, a feature that was not added to the copyright laws until the Act of February 15, 1819, ch. 19, 3 Stat. 481 (Peters ed. 1846).

2. From the Act of 1802 to the Act of 1856

Until the middle of 19th Century, succeeding copyright statutes continued the same scheme of allowing money judgments for the infringement of a published work only in an amount determined by multiplying a congressionally fixed sum by the number of infringing sheets, which sum would then be divided between the United States and the author or proprietor. The Act of April 29, 1802, ch. 36, 2 Stat. 171 (Peters ed. 1845), which added "historical or other print or prints" to the subject matter protected by copyright, *id.* § 2, 2 Stat. 171, provided that the amount of money recoverable for infringements of such prints was to be \$1.00 per sheet. *Id.* § 3, 2 Stat. 171-72. Although it did not refer to this recovery as an "action of debt," it continued to divide any amount recovered between the United States and the copyright owner. *Id.*

The Act of 1831, Act of February 3, 1831, ch. 16, 4 Stat. 436 (Peters ed. 1846), a complete revision of the Copyright Act, continued the monetary recovery of fifty cents per sheet of any infringing books, again stating that any such sum was "to be recovered by action of debt," and continued to divide any monetary recoveries between the United States and the copyright owner. *Id.* § 6, 4 Stat. 437-38. For "any print, cut, or engraving, map, chart, or musical composition," the amount recoverable was fixed at one dollar per sheet, "to be recovered in any court having competent jurisdiction" and divided equally

between the United States and the copyright owner. *Id.* § 7, 4 Stat. 438. Unpublished manuscripts were again protected separately, and damages for their infringement could be sued for "by a special action on the case founded upon this act." *Id.* § 9, 4 Stat. 438. Again, the legal nature of these remedies cannot seriously be questioned.

The year 1819 saw the adoption of a statute authorizing the circuit courts of the United States "to grant injunctions, according to the course and principles of courts of equity, to prevent violation of the rights of any authors or inventors." Act of February 15, 1819, ch. 19, 3 Stat. 481 (Peters ed. 1846). This act was the first statutory inclusion of any form of equitable relief for infringement of copyright. Relevant to the Seventh Amendment inquiry, it must be noted that this statute did not provide any form of monetary recovery in equity whatsoever.

B. The Introduction of Compensatory Damages

1. The Act of 1856

The first major variation in this pattern of multiplication table calculation of *qui tam* recoveries as the monetary remedy for copyright infringement came in 1856 when Congress extended copyright protection to the public performance of any "dramatic composition." Act of August 18, 1856, 11 Stat. 138 (Minot & Sanger ed. 1859). Specifically referring to the monetary remedy for infringing performances as "damages," the Act provided for a recovery by the copyright owner of a sum of "not less than one hundred dollars for the first, and fifty dollars for every subsequent [infringing] performance." *Id.*, 11 Stat. 139. This scheme differed from the previous approach to monetary recoveries in two respects. First, the copyright owner received the entire award which the statute characterized as "damages;" the United States was no longer entitled to one-half of the recovery. Second, the amount determined by the multiplication table approach was the statutorily required minimum that could be awarded, but was not a maximum.

Brady v. Daly, 175 U.S. 148 (1899), held that monies awarded under the direct and near verbatim descendant of this provision, Rev. Stat. § 4966, were compensatory damages rather a form of *qui tam* recovery and that the 1856 Act and its progeny had "nothing in the nature of a *qui tam* action about it." 175 U.S. 154-55.

The importance of *Brady* to the present case is that the Brady, the plaintiff in error, was arguing that an award of damages for infringing a play based on the statutory minimum was a penalty and thus the circuit court lacked jurisdiction over the action which could only be exercised by a district court.⁶ The Supreme Court stated it was unnecessary to determine whether the district courts had exclusive jurisdiction over the *qui tam* monetary awards under the other sections of the then current Copyright Act, 175 U.S. at 152-53, holding that the monetary awards provided by the 1856 Act and preserved in Rev. Stat. § 4966 (multiplication table minimum with no maximum, all monies going to the copyright owner), were compensatory damages. 175 U.S. 154-57. Thus *Brady* clearly indicated that these progenitors of today's statutory damages were both legal remedies. *Brady* itself was an appeal from a action brought at law in which a jury was voluntarily waived. 175 U.S. at 151.

2. The Act of 1870: The First Allowance of Purely Compensatory Damages for Infringement of a Published Book

The Act of July 8, 1870, ch. 230, §§ 85-11, 16 Stat. 212 (Sanger ed. 1871), was the next complete revision of Copyright Act, and contained a jumble of provisions for monetary relief. For the first time, the statute provided compensatory damages for infringement of a published

6. This case arose in the days when there were two courts of original jurisdiction in the federal system, the district courts and the circuit courts.

book that were independent of any multiplication table. *Id.* § 99, (Any unauthorized person who would "print, publish, or import, or, knowing the same to be so printed, published or imported, shall sell or expose to sale any copy of such book, such offender . . . shall also forfeit and pay such damages as may be recovered in a civil action."). For "any map, chart, musical composition, print, cut engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts," the prior scheme of monetary awards was continued. The amount was statutorily fixed at one dollar for each sheet containing an infringing copy, except "in case of a painting, statue or statuary," for which the amount was fixed at ten dollars for each copy, and the amount thus determined was again divided equally between the copyright owner and the United States. *Id.* § 100. The damage provisions for infringing performances of "any dramatic composition" were identical to those of the 1856 Act: a minimum of one hundred dollars for the first infringing performance plus fifty dollars for each subsequent infringing performance, no maximum recovery specified by statute, and the entire amount recovered belonged to the copyright owner. *Id.* § 101. As before, compensatory damages were provided for the infringement of an unpublished manuscript. *Id.* § 102. Under the Revised Statutes of 1873-74, the relevant provisions of the 1870 Act were renumbered but remained essentially unchanged. Compare Act of July 8, 1870, ch. 230, §§ 99-102, 16 Stat. 212 (Sanger ed. 1871), with Rev. Stat. title 60, ch. 3, §§ 4964-4967, printed in THE REVISED STATUTES OF THE UNITED STATES, PASSED AT THE FIRST SESSION OF THE FORTY-THIRD CONGRESS, 1873-'74 957-60 (2d ed. 1878). The amendment of these sections by the Act of March 3, 1891, ch. 565, §§ 7-9, 26 Stat. 1106, made no change in the relevant provisions for monetary awards against infringers.

3. The Act of 1895: Correcting for Abusive Overcompensation

Using the multiplication table approach as a method to calculate either *qui tam* recoveries or compensatory damages to an injured copyright owner rather than to assess a quasi-criminal penalty raises the question of systematically undercompensating or overcompensating the copyright owner. In 1895, Congress addressed the problem of overcompensation, which arose as the perhaps inevitable result of technical progress in reproductive technology. The monetary awards recoverable for infringement of various works of visual art remained calculated at a rate of one dollar for every infringing sheet, with the award divided equally between the copyright owner and the United States; however, for photographs a maximum award of \$5,000 and a minimum award of \$100 was superimposed on the calculation, while a maximum award of \$10,000 and a minimum of award \$250 was superimposed on the recovery provided for infringing copies of a variety of other types of works of visual art. Act of March 2, 1895, ch. 194, 29 Stat. 545.

The type of problem this amendment contemplated can be illustrated by the case of a daily newspaper printing an infringing photograph, engraving or illustration. A copy of the newspaper would sell for only a tiny fraction of the statutory amount prescribed for each infringing copy of the work. Thus a newspaper selling 30,000 copies for one or two cents a copy (this was 1895), could be liable for \$30,000 for inadvertently printing an infringing photograph even though the total income derived from the sale of the papers was only \$600, and the overwhelming majority of the newspaper's content had nothing to do with the infringement. Cases such as *Bennett v. Boston Traveler Co.*, 101 F. 445, 449 (2d Cir. 1900) (apparently tried to a jury, with the trial court "directing a verdict for the defendant"), and *Bennett v. Carr*, 96 F. 213, 214 (2d Cir. 1899) ("a jury awarding a verdict of \$10,000"), il-

lustrate the potential problem, even though they were decided on grounds unrelated to the calculation of the amount of any monetary recovery, possibly to avoid the damage issue where it led to excessive results.

This critical historical importance of this provision is that it establishes the pre-merger legal nature of damages calculated in the same manner as the "in lieu" damages provided in the 1909 Act (a multiplication table approach subjected to maximum and minimum statutory limits to the recovery) and continued in the 1976 Act with the dropping of the multiplication table approach.

III. The Legal Nature of the Monetary Awards from 1790 to 1909

The critical inquiry concerning the Seventh Amendment right to a jury trial on the issue of statutory damages is whether actions for monetary recovery brought under any of the provisions analyzed above, the progenitors of today's statutory damages provisions, were brought as legal or as equitable actions. During the period prior to the 1909 Copyright Act when there was a strict separation of law and equity, *the inescapable fact is that such actions were routinely brought as legal rather than equitable actions, and they were routinely tried to a jury.*

This can be demonstrated by a review of the copyright actions for monetary awards brought from the adoption of the original American Copyright Act in 1790 through the adoption of the 1909 Act. These decisions are easier to find than it might first appear. The Copyright Office has collected and published all of these decisions in a single set of four volumes, *COPYRIGHT OFFICE, DECISIONS OF THE UNITED STATES COURTS INVOLVING COPYRIGHT AND INTELLECTUAL PROPERTY 1789-1909 WITH AN ANALYTICAL INDEX*, *COPYRIGHT OFFICE BULLETINS* Nos. 13-16 (1980), saving the tremendous amount of time and labor that would otherwise be required to locate all of these decisions. Although there are too many decisions to discuss or even

list each one individually, several illustrate the legal nature of these remedies quite clearly.⁷

Particular note should be taken of *Stevens v. Gladding*, 58 U.S. (17 How.) 447, 453-455 (1854), which expressly held the monetary awards provided by the then current Copyright Act could not be awarded by a court of equity. Similarly in *Backus v. Gould*, 48 U.S. (7 How.) 798 (1849), involving "a qui tam action . . . brought under the sixth section of the Act of 1831," 48 U.S. at 811; Act of February 3, 1831, ch. 16, § 6, 4 Stat. 436, 437-38 (Peters ed. 1846), the Supreme Court remanded an award for a new trial due to faulty jury instructions. In *Bolles v. Outing Co.*, 175 U.S. 262 (1899), the Supreme Court ruled that Rev. Stat. § 4965 was "a substantially copy" of § 6 of the 1831 Act, 175 U.S. 265, and the case before it "is clearly controlled" by *Backus*." 175 U.S. at 266. The famous copyright case of *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903) (Holmes, J.), rev'g *Courier Lithographing Co. v. Donaldson Lithographing Co.*, 104 F. 993 (6th Cir. 1900), aff'g *Bleistein v. Donaldson Lithographing Co.*, 98 F. 608 (C.C.D. Ky. 1899), involved a suit for a monetary award under Rev. Stat. § 4965, which provided both a multiplication table recovery of \$1.00 per sheet of infringing copies limited by a maximum recovery of \$5,000.00 and a minimum recovery of \$100.00, thus making it a model of for the statutory damage provisions of the 1909 Act. In that case, the trial court had "instruct[ed] the jury to find a verdict for [the defendant]," 98 F. at 613, a matter which caused no comment by the Supreme Court.

A recurring pattern throughout the period before 1909 is the bringing of separate suits at law for recovery of

7. Due to time limitations, it has not been possible for the author of this brief to read all of the decisions printed in these volumes, therefore the author's review of copyright cases from 1790 to 1909, while substantial, has not been exhaustive.

money under the provisions of the acts discussed above and in equity for injunctive relief. For example, *Blunt v. Patten*, 3 F. Cas. 762 (C.C.S.D.N.Y. 1828) (No. 1579), a case that could only have sought damages under § 2 of the Act of May 31, 1790, ch. 15, § 2, 1 Stat. 124, 124-25 (Peters ed. 1845), was tried to a jury. The parallel action in equity, *Blunt v. Patten*, 3 F. Cas. 763 (C.C.S.D.N.Y. 1828) (No. 1580), denied the application for an injunction pending the outcome of action at law, then issued one following a jury verdict for the plaintiff. Similarly, the Supreme Court decided an appeal from an equitable action in *Webster v. Daly*, 163 U.S. 155 (1896), and decided an appeal from an award of damages under Rev. Stat. § 4966 in the corresponding legal action in *Brady v. Daly*, 175 U.S. 148 (1899) (jury trial waived) without the slightest hint that the action for damages could be brought anywhere other than a court of law. *Brady* ruled that an action to recover a monetary award under Rev. Stat. § 4966 should be regarded as an action for damages and "has nothing in the nature of a qui tam action about it, we think it provides for the recovery of neither a penalty nor a forfeiture." 175 U.S. at 154-55. *Brady* also discusses the English equivalent of Rev. Stat. § 4966, the Statute of 3 & 4 William IV, c. 15, and its interpretation in *Chatterton v. Cave*, 3 App. Cas. 483 (1875), reaching the same conclusion as *Brady*. 175 U.S. at 157.

Perhaps the most conclusive demonstration of the legal nature of these remedies for purposes of the Seventh Amendment analysis is that actions under these statutory provisions were routinely tried at law, whether to a jury or in a bench trial, and not in equity without the slightest hesitation or question on the part of any court or litigant. Most cases at law simply do not even discuss the issue but merely mention in passing that the case was tried to a jury or was tried without a jury rather than in equity. Indeed, this automatic classification of such actions as legal in the days of separate law and equity

courts and the very lack of discussion over whether the statutory monetary remedies were legal or equitable, is the most convincing proof that these monetary recoveries were legal in nature was beyond dispute. See, e.g., *Caliga v. Inter Ocean Newspaper Co.*, 212 U.S. 182 (1909), aff'g 157 F. 186 (7th Cir. 1907) (action for award under Rev. Stat. § 4965, jury verdict directed); *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884), aff'g *Sarony v. Burrow-Giles Lithographic Co.*, 17 F. 591 (C.C.S.D.N.Y. 1883) (damages under Rev. Stat. § 4965); *Dwight v. Appleton*, 8 F. Cas. 183 (C.C.S.D.N.Y. 1843) (action of debt *qui tam*, presumably brought under 1831 Act, tried to a jury); but see *Fraser v. Jacobs*, 1789-1909 Copyright Dec. (13 Copyright Office Bull.) 1020, 1022 (C.C.N.D. Ill. 1897) (issuing a permanent injunction and awarding \$100 "being the minimum damages fixed by the statutes for the unauthorized performance of the complainant's said copyrighted play" without objection by the defendant; listed in the Copyright Office Bulletin as an unreported case).

IV. Statutory Damages Under the Copyright Acts of 1909 and 1976

The remaining link in the Seventh Amendment analysis is to demonstrate the lineal ancestry of these provisions with our contemporary statutory damage provisions. In this inquiry, particular attention must be given to the provisions of the 1909 Act, which merged law and equity for copyright cases roughly 29 years prior to this being done for all federal cases.

A. The 1909 Act

1. The Merger of Law and Equity

Of critical relevance to the Seventh Amendment issue was the merger of law and equity for cases arising under the 1909 Copyright Act, section 27 of which provided: "That the proceedings for an injunction, damages, and profits, and those for seizure of infringing copies, plates, molds, matrices, and so forth, aforementioned, may be

united in one action." Act of March 4, 1909, ch. 320, § 27, 35 Stat. 1075, 1082 (1909). When the Copyright Act was codified in 1947, Act of July 30, 1947, ch. 391, 61 Stat. 652 (hereinafter sometimes referred to as "17 U.S.C. (1909 Act)", this provision was omitted as the Federal Rules of Civil Procedure had by then merged law and equity for all forms of civil action.

This merger of law and equity for copyright cases took place some 29 years prior to the merger of law and equity for other forms of civil action with the adoption of the Federal Rules of Civil Procedure. As of 1909, the same court could decide both legal and equitable issues in the same proceeding without worrying about the difference except for the question of the right to a jury trial. Thus inquiry into "pre-merger custom" under the Supreme Court's Seventh Amendment analysis must focus on the period from 1790 to 1909.

2. Statutory Damages Under the 1909 Act

The adoption of the 1909 Act, Act of March 4, 1909, ch. 320, 35 Stat. 1075 (1909), made several major changes in the provisions for statutory damages. First, *qui tam* recoveries were abolished; the copyright owner retained all monetary awards without any share going to the United States. Act of March 4, 1909, ch. 320, § 25, 35 Stat. 1075, 1081 (codified as amended at 17 U.S.C. § 101(b) (1909 Act)). Second, purely compensatory damages described as "such damages as the copyright proprietor may have suffered due to the infringement," *id.*, could be recovered for all forms of copyrightable works, not just unpublished works and published books. As an alternative, the copyright owner could recover "in lieu of actual damages and profits, such damages as to the court shall appear to be just," *id.*, i.e., statutory damages. Maximum and minimum limits on all statutory damage awards were set,⁸ and the multiplication table approach to

8. The limits were a \$250 minimum and a \$5,000 maximum. Separate maximum and minimum limit of \$50 and \$200 were estab-

determining the amount of a monetary award was retained, but in a subordinate role to the maximum and minimum limitations. The 1909 Act clearly echoed the amounts provided in previous statutes. The amounts to be awarded were ten dollars for every infringing copy of "a painting, statue or sculpture," *id.* First subsection; one dollar for every infringing copy of any work other than a painting, statue or sculpture, *id.* Second subsection; one hundred dollars for the first and fifty dollars for each subsequent infringing performance of a "dramatic or dramatico-musical or choral or orchestral composition," *id.* Fourth subsection; ten dollars for each infringing performance of "other musical compositions," *id.*; fifty dollars for every infringing delivery of a "lecture, sermon or address," *id.* Third subsection. The maximum limit on an award of statutory damages did not apply to infringements occurring after actual written notice was served on the defendant. *Id.*

B. The 1976 Act

Statutory damages assumed their current form in section 504(c) of the 1976 Copyright Revision Act. 17 U.S.C. § 504(c) (1994). The essential change from the 1909 Act was the complete elimination of any multiplication table calculation of damages and the placing of a maximum limit on statutory damages for willful infringement. 17 U.S.C. § 504(c)(2) (1994).

V. The Results of the Historical Inquiry

What the historical inquiry clearly shows is that the closest equivalent to our contemporary statutory damages existing in 1791 was a strictly legal rather than equitable

(footnote continued from previous page)

lished for newspaper reproduction of a photograph. In 1912, a maximum recovery of one hundred dollars for innocent infringement of an "undramatized or non-dramatic work by means of motion pictures" was added. Act of August 24, 1912, ch. 356, 37 Stat. 488.

form of action. Indeed, this legal remedy was the lineal ancestor of our statutory damages provisions. Thus the first and most important test for the applicability of the Seventh Amendment's guarantee of trial by jury under *Ross v. Bernhard*, 396 U.S. 531, 538 n. 10 (1970), "the pre-merger custom with reference to such questions," must answered in the affirmative.

VI. The Nature of the Remedy is Legal Rather Than Equitable

Although the historical inquiry should be conclusive on the issue of the right to a jury trial on the issue of statutory damages, the alternate tests announced by the Supreme Court for use if the historical inquiry was inconclusive will be examined.

A. The Arguments for Statutory Damages Being a Legal Remedy

In determining if there is a right to a jury trial under the Seventh Amendment, the second inquiry mandated by the Supreme Court in *Ross v. Bernhard*, 396 U.S. 531 (1970), is the nature of "the remedy sought." *Id.* at 538 n. 10. Apart from the fact that the pre-merger copyright cases almost invariably treated statutory damages and their predecessors as a legal remedy, there are persuasive reasons for viewing statutory damages as legal even outside of the historical context and can be quickly stated. First, there is no doubt but that an award of money as compensation for an injury, such as a remedy for the tort of copyright infringement, is typical of a legal remedy rather than an equitable one. Second, the award of statutory damages is an alternative rather than a cumulative remedy for the plaintiff's actual damages, a clearly legal remedy. Third, although the amount of statutory damages may be in the court's discretion, their awarding requires an election by the copyright owner. Moreover, the awarding of statutory damages is not wholly discretionary as the minimum and maximum award limitations must be observed. Finally, the resemblance between

statutory and punitive damages suggests these are legal remedies.

B. The Arguments Against Statutory Damages Being a Legal Remedy

1. The Statutory Language

The principal argument for treating statutory damages as equitable, is that the statute states the "court" shall award "statutory damages" in an amount "as the court considers just" within the statutory maximum and minimum. 17 U.S.C. § 504(c) (1994). This requires reading the word "court" to exclude a jury determination of statutory damages. However, *Curtis v. Loether*, 415 U.S. 189 (1974), the Supreme Court held that an action for the damages provided by a statute was legal rather than equitable even though the statute provided that the "court" should assess the damages. Holding otherwise would permit Congress to deny jury trials in legal actions, thus abrogating the Seventh Amendment, by simply stating the damages were to be awarded by a "court." Thus any determination that places statutory damages outside of the Seventh Amendment's command cannot be solely based on the use of the word "court" in section 504(c).

Moreover, it must be noted that the word "discretion" does not appear in § 504(c)(1) which establishes statutory damages, but only in § 504(c)(2) which permits the maximum statutory damage award to be increased for cases of willful infringement and permits the minimum statutory damage award to be decreased for innocent infringements.

2. Congressional Intent

The argument has been made that Congress somehow intended the statutory damage provisions of the 1909 and 1976 Acts to provide an equitable rather than a legal remedy. The fact is that there is simply nothing in the legislative history to support this conclusion. Indeed, at least one passage in the legislative history of the 1909 Act demonstrates that its originators explicitly contemplated

issues of statutory damages being tried to a jury. At joint congressional hearing on amending and consolidated the copyright acts, the following colloquy concerning the "in lieu" damage provision took place between Mr. Wilcox, an attorney representing lithographers and printers who drafted the language that became the in lieu damage provision, and Mr. Steuart, Chairman of the American Bar Association's Copyright Committee, and primary drafter of section 25 of the 1909 Act which merged law and equity for copyright cases:

MR. WILCOX: [I]f the plaintiff sought his remedy on the equity side of the court and asked for an injunction and incidentally for the assessment of profits and damages, or for the substituted damages which are provided for in the second half of that section, then it would be for the court to assess the damages unless it referred that section of assessment of damages to a jury, which is what in many jurisdictions the court would do; But suppose the plaintiff . . . proceeded directly on the law side of the court, then how could the court exercise its discretion? The case would then be tried before a court and a jury, and it would be a matter for a jury to pass upon.

. . . .

MR. STEUART: Of course, such questions as were submitted to the jury would have to be passed upon by the jury, and whatever verdict the jury found would leave the court in the position where the court could increase the that if the court saw fit to do so, if the judgment were too small.

Arguments Before the Committees on Patents of the Senate and House of Representatives on the Bills S. 6330 and H.R. 19853 to Amend and Consolidate the Acts Respecting Copyright, 59th Cong., 2d Sess. 177-78 (1906), reprinted in

4 LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT, Part J (A. Goldman & E.F. Brylawski, ed. 1976). Not surprisingly, almost all of the consideration of statutory damages was unconcerned with whether such issues were entitled to a jury trial as a matter of right under the Seventh Amendment, as this was the accepted law of the day. To the extent there is any consideration of the question apart from the passage quoted above, it is oblique, showing up in the assumptions and statements that such damages are derived from the damage provisions of the earlier acts which had always been regarded as legal.

The legislative history of section 504(c) of the 1976 Act does not indicate that Congress ever directly considered whether a jury trial should be granted as a matter of right on the issue of statutory damages, although there are a number of indications that Congress saw the statutory damage provisions as a modernized version of the 1909 Act's "in lieu of" damage provisions. See, e.g., HOUSE COMM. ON THE JUDICIARY, COPYRIGHT LAW REVISION—REGISTER OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE COPYRIGHT LAW 102-06 (Comm. Print 1961); HOUSE COMM. ON THE JUDICIARY, COPYRIGHT LAW REVISION PART 6—SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL 135-38 (Comm. Print 1965).

3. The Case Law Denying the Right to a Jury Trial

The idea that statutory damages are equitable rather than legal first emerged in case law precedents arising after the merger of law and equity under the 1909 Copyright Act. As this subsection of the brief will demonstrate, the seminal case law is simply inaccurate and cannot stand up to analysis.

Given the historical lineage of the current statutory damage provisions, and their direct descent from clearly legal pre-merger custom, it is perhaps surprising that any

court ever considered statutory damages to be equitable in nature. It is worth examining how the view that statutory damages were equitable evolved, as it is demonstrable that its underlying legal analysis is in error.

The seminal denial of the right to a jury trial on the issue of statutory damages came in *Chappell & Co. v. Palermo Cafe, Inc.*, 249 F.2d 77 (1st Cir. 1957), the precedent to which all other denials of jury trials on statutory damages in copyright infringement cases ultimately can be traced. In *Palermo Cafe*, plaintiff brought an infringement suit seeking statutory damages and injunctive relief. The district court denied plaintiff's motion to strike defendant's demand for a jury trial on the issue of statutory damages, even though the plaintiff waived all claims for any recovery exceeding the statutory minimum. *Chappell & Co. v. Palermo Cafe, Inc.*, 146 F. Supp. 867 (D. Mass. 1956). The district court followed *Chappell & Co. v. Cavalier Cafe, Inc.*, 13 F.R.D. 321 (D. Mass. 1952), on the grounds that a precedent from the same district should be respected unless clearly in error, although the court's opinion disagreed with *Cavalier Cafe*'s conclusion that the Seventh Amendment guaranteed a jury trial of statutory damages and suggested the lines of analysis subsequently adopted by the First Circuit. The district court subsequently granted a permanent injunction but held the issue of statutory damages for trial by jury.

On appeal, the First Circuit stated that an award of the minimum statutory damages did not require a jury trial. First, as its principal basis of decision, the court argued that because a district court could determine its own order of proceedings, it could properly resolve the issue of a permanent injunction first, thus rendering the award of statutory damages merely "incidental" to the issuance of the injunction and allowing the court to resolve the issue of statutory damages without a jury. 249 F.2d at 80-81. As the trial court had issued an injunction in the case based on a finding of infringement, the First Circuit

held that the trial court could proceed to assess statutory damages consistent with its decision to enjoin the plaintiff from future infringements. *Id.* at 81. Then, without the slightest citation of authority or examination of the relevant statutory and decisional history, the First Circuit simply asserted:

[W]e regard the present complaint under 17 U.S.C. § 101(b) [1909 Act] as being entirely a claim invoking the equity jurisdiction of the district court, so that defendant had no right to demand a jury trial in any aspect of the claim.

Id. at 81.

The idea that jury trials could be denied where the legal relief was "incidental" to the equitable relief arose after the merger of law and equity, when some cases took the position that in a case where both legal and equitable causes were joined, the court could deny a jury trial where it had previously resolved the underlying factual issues in the course of granting or denying equitable relief, after which the legal issues became "incidental" to the court's equity jurisdiction. *See, e.g., Boucher v. DuBoyes, Inc.*, 137 F. Supp. 639 (S.D.N.Y. 1955). This permitted the courts to avoid potentially inconsistent decisions by taking away the jury trial, even on clearly legal issues, where the court had already ruled on equitable relief.

This position is untenable today in light of the Supreme Court's decisions in *Ross v. Bernhard*, 396 U.S. 531 (1970), *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959). In light of these decision, it is fair to say that in any case presenting both legal and equitable issues, the court should take every reasonable step to accord the parties a jury trial on the legal issues. For example, preliminary injunctions can be used and the issuance of permanent injunctions delayed if their issuance would preclude a jury trial. Only where a permanent injunction

must be issued or denied before the legal issues could be tried might there be preclusion of the right to a jury trial.

Secondly, *Palermo Cafe's* unsupported assertion that the action under 17 U.S.C. § 101(b) (1909 Act), was equitable is just that, an unsupported assertion that flies in the face of every statutory and decisional precedent. As such it deserves and should receive no credence, particularly in light of the overwhelming historical evidence to the contrary.

Thirdly, the First Circuit in *Palermo Cafe* cited two Supreme Court cases *Brady v. Daly*, 175 U.S. 148 (1899), and *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952), in support of its conclusion. *Brady*, however, so strongly supports the conclusion that an action for statutory damages is a legal action that it is almost impossible to understand how the *Palermo Cafe* opinion could construe it otherwise. In *Brady*, after a permanent injunction had been issued against infringing performances of a dramatic work in a different and entirely separate action, and the injunction had been sustained on appeal, the plaintiff brought a legal action in the Circuit Court, 175 U.S. at 148 (Reporter's syllabus: "This was an action brought at law . . ."), for damages for the infringing performances based on the then current statutory formula of an award of at least \$100 for the first infringing performance and at least \$50 for each subsequent performance under section 4966 of the Revised Statutes. Rev. Stat. title 60, ch. 3, §§ 4966, *printed in* THE REVISED STATUTES OF THE UNITED STATES, PASSED AT THE FIRST SESSION OF THE FORTY-THIRD CONGRESS, 1873-'74 957-60 (2d ed. 1878), codifying Act of July 8, 1870, ch. 230, § 101, 16 Stat. 212 (Sanger ed. 1871), *re-enacting* Act of August 18, 1856, 11 Stat. 138 (Minot & Sanger ed. 1859). A jury trial was waived, so this was never an issue before the court. 175 U.S. at 151 (Reporter's syllabus). Claiming this type of an award was a penalty that could only be awarded by a District Court, the defendant attacked the

jurisdiction of the Circuit Court. The Supreme Court held that these damages were not penal but compensatory, never saying a single word that could be construed as suggesting that they were equitable. In fact, the legal nature of the suit is quite clear from several other references in the Supreme Court's opinion. For example, the Court rejected defendant's contention that it was error to admit into evidence in the legal proceeding the record of the proceeding in equity for an injunction. 175 U.S. at 159-60.

Nor is there anything in *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952), *aff'g* 193 F.2d 162 (1st Cir. 1951), *aff'g* *Contemporary Arts, Inc. v. F. W. Woolworth Co.*, 93 F. Supp. 739 (D. Mass. 1950), that would support treating statutory damages as an equitable remedy. In *Woolworth*, an action brought after the merger of law and equity in copyright cases, the Supreme Court equated statutory damages with legal damages, and stated that the purpose of statutory damages was to permit a recovery to be made where the proof of the amount of actual damages might not have a satisfactory degree of legal certainty, 344 U.S. at 232-33, an analysis that is incompatible with the view of statutory damages as a form of equitable relief. Nothing in the Supreme Court's opinion in *Woolworth*, or in the other courts' opinions for that matter, indicate that it even considered the question of whether statutory damages were a legal equitable remedy.

Similarly, the district court opinion in *Palermo Cafe* had summarily stated that "Congress made it plain that the amount of just damages is to be fixed by a judge without a jury," citing *L.A. Westermann Co. v. Dispatch Printing Co.*, 239 U.S. 100 (1919) and *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952). *Westermann* held that statutory damages were compensatory rather than penal in nature, discussed the relationship of the maximum and minimum amounts in rela-

tion to the recommended multiplication table calculations, and traced the genealogy of the 1909 Act's statutory damages provision back to those of the 1856 Act and other earlier copyright acts. As we have seen, proceedings under these provisions were invariably legal, thus *Westermann* in fact refutes the proposition for which it is cited by the district court in *Palermo Cafe*. Certainly, neither *Westermann* nor *Woolworth* ever made the holdings the district court attributed to them.

It should be reiterated that the arguments that the use of the word "court" in section 504(c) makes an action for statutory damages equitable must be rejected on the authority of *Curtis v. Loether*, 415 U.S. 189 (1974), which held that an action for the damages provided by a statute was legal rather than equitable even though the statute provided the "court" should assess the damages.⁹

Finally, the differences between the Copyright Act's statutory damage provisions and the penal provision held to be equitable in *Tull v. United States*, 481 U.S. 412 (1987), should be noted. *Tull* held that although there was a Seventh Amendment right to a jury trial on the issue of liability for a violation of the Clean Water Act, fixing the amount of the penalty did not require a jury trial under the Seventh Amendment. First, the penalty in *Tull* went entirely to the government, while statutory damages go entirely to the injured copyright proprietor. As pointed out earlier, it is precisely for this reason that the Supreme Court in *Brady v. Daly*, 175 U.S. 148 (1899) held that an action to recover a monetary award under

9. Analysis of the decisions subsequent to *Palermo Cafe* denying the right to a jury trial have been omitted due to space limitations and the fact that they all can be traced, mediately or immediately back to *Palermo Cafe*. Further, none of these precedents made any effort to confront the historical evolution of the statutory damage provisions and provide any analysis other than the arguments discussed above.

Rev. Stat. § 4966 (minimum recovery per infringing performance established; all monies to be paid to the copyright owner) should be regarded as an action for damages and "has nothing in the nature of a *qui tam* action about it, we think it provides for the recovery of neither a penalty nor a forfeiture." 175 U.S. at 154-55. In discussing Rev. Stat. § 4966, *Brady* also held:

Where a statute provides . . . for a recovery of damages for an act which violates the rights of the plaintiff and gives the right of action solely to him, the fact that it also provides that such damages shall not be less than a sum certain, and may be more, if proved, does not, we think, transform it into a penal statute.

Id. at 156. Section 504(c) can be no more a penal statute than the one at issue in *Brady*. Statutory damages simply are not a penalty, they are damages. Even though statutory damages may be said to penalize an infringer for its infringing conduct and may serve to deter future infringements, the fact that they compensate or even over-compensate the copyright owner for the injury inflicted by the infringement is unavoidable.

Second, the early copyright statutes provide the type of indisputable legal ancestry for the statutory damage provisions of § 504(c) of the Copyright Act that simply did not exist for the penalty provision of the Clean Water Act at issue in *Tull*. For this reason also *Tull* is not applicable to § 504(c) of the Copyright Act.

VII. Statutory Damages Do Not Exceed the Limits of a Jury

Under *Ross v. Bernhard*, 396 U.S. 531, 538 n. 10 (1970), the third test for the right to a jury trial is "the practical abilities and limitations of juries." *Id.* at 538, n.10. This concern seems to have been intended to address the problem of litigation that might be so lengthy and technically complex that no jury could sit through it or understand it. This question has surfaced in such cases

as *Zenith Radio Corp. v. Matsushita Electric Industrial Corp.* (*In re Japanese Electronic Products Antitrust Litigation*), 478 F.Supp. 889 (E.D.Pa. 1979), *rev'd*, 631 F.2d 1069 (3d Cir. 1980) (2-1). In *Zenith*, the trial court held that a jury was required by the Seventh Amendment in a case alleging an illegal conspiracy under the anti-trust and anti-dumping laws. The case was expected to take a year to try, and nine years of discovery had produced millions of documents and over 100,000 pages of depositions. The Third Circuit reversed, holding that under these circumstances a jury would not be able to render a rational decision. These type of circumstances are simply irrelevant to the case at bar.

CONCLUSION

The relevant constitutional tests all demonstrate that the Seventh Amendment's guarantee that the right to a jury trial shall be preserved in actions at law requires that the denial of a jury trial on the issue of statutory damages must be tried to a jury upon a timely request by a party. The relevant historical inquiry into pre-merger custom clearly establishes that the statutory damage provisions of today's Copyright Act are the direct descendants of the purely legal monetary remedies for infringement of copyright that existed in 1791. Consequently, statutory damages are a legal rather than equitable remedy, and, as such, a remedy to which the Seventh Amendment preserves the right to a trial by jury. Moreover, the nature of the remedy, a monetary award to the copyright owner as compensation for the tort of copyright infringement, smacks of law rather than equity. Finally, there is nothing inherent in the nature of statutory damages that precludes their being determined by a jury.

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Supreme Court, U.S.

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In The

Supreme Court of the United States

OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF OF THE NATIONAL FOOTBALL LEAGUE,
THE NATIONAL BASKETBALL ASSOCIATION,
THE NATIONAL HOCKEY LEAGUE, AND THE
OFFICE OF THE COMMISSIONER OF BASEBALL
AS AMICI CURIAE SUPPORTING RESPONDENT

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QUESTIONS PRESENTED

1. Whether Congress intended to provide a right to a jury trial in copyright infringement actions for statutory damages under 17 U.S.C. § 504(c).
2. Whether the Seventh Amendment requires a right to a jury trial in actions for statutory damages for copyright infringement under 17 U.S.C. § 504(c).

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<i>Rodriguez Serra v. Matias Photo Shop</i> , 21 F.R.D. 188 (D.P.R. 1957)	9
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INTEREST OF THE *AMICI CURIAE*

The *amici curiae* are four major professional sports leagues, each of which produces a copyrighted joint entertainment product. The National Football League ("NFL") is an unincorporated, non-profit association of 30 member clubs located throughout the United States that collectively produce NFL football. The National Basketball Association ("NBA") is a joint venture of 29 member clubs located throughout the United States and Canada that collectively produce NBA basketball. The National Hockey League ("NHL") is an unincorporated, non-profit association of 26 member clubs located throughout the United States and Canada that collectively produce NHL hockey. The Office of the Commissioner of Baseball ("Commissioner's Office") is responsible for the centralized administration of the sport of Major League Baseball ("MLB") and the 30 major league clubs located throughout the United States and Canada.¹

The member clubs of the NFL, NBA, NHL, and MLB attempt to strike a balance in televising their games, making as many games as possible available on television without unduly harming live attendance at games. Live attendance is vital not only because gate receipts are an important source of revenue for the clubs, but also because a stadium full of lively fans enhances the qualities of the entertainment product both at the event and for those watching on television.

¹ Both parties have consented to the filing of this brief. Pursuant to this Court's Rule 37.3(a), letters of consent have been filed with the Clerk. Pursuant to this Court's Rule 37.6, counsel for the *amici curiae* certify that this brief was not authored in whole or in part by counsel for any party, and that no person or entity other than the *amici*, its members, or its counsel has made a monetary contribution to the preparation or submission of this brief.

The *amici* depend on the protection afforded by the Copyright Act to prevent unauthorized broadcasts or retransmissions of their games, as well as unauthorized public showings of games in restaurants and other public places.² The *amici* frequently elect statutory damages in actions for copyright infringement because of the difficulty of proving actual damages and because of the delay and expense of a jury trial.³ In actions against restaurants and other smaller establishments, a jury trial to determine statutory damages may not be a cost-effective option. The *amici* thus have a strong interest in ensuring the continued availability of effective and efficient remedies for copyright infringement.

SUMMARY OF ARGUMENT

1. a. The language of the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.*, demonstrates that Congress did not intend to provide a jury trial right in actions for statutory damages. Section 504(c) of the Act, 17 U.S.C. § 504(c) (1994), provides that a copyright owner "may elect, at any time before final judgment is rendered" to recover statutory damages. If Congress had intended to provide a right to a jury determination of statutory damages, it would not have permitted the copyright owner to elect statutory damages after a jury has determined actual damages and been dismissed.

Section 504(c) further provides that "the court in its discretion" may increase the award if the infringement was willful or decrease it if the infringement was innocent. The term "court," particularly when used in conjunction with the term "discretion," commonly refers to a judge rather than a

² See, e.g., *National Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726 (8th Cir. 1986); *National Football League v. Rondor, Inc.*, 840 F. Supp. 1160 (N.D. Ohio 1993).

³ See, e.g., *Rondor*, 840 F. Supp. at 1168.

jury. Congress used the same statutory language in 17 U.S.C. § 505 to authorize the judge to award attorney's fees and other costs. By contrast, Congress chose different language to describe the award of actual damages in 17 U.S.C. § 504(b).

b. Other considerations confirm the meaning of the statutory language. Section 504 of the Copyright Act of 1976 is a reenactment of the statutory damages provisions of the Copyright Act of 1909. Congress is presumed to have been aware of judicial decisions under the 1909 Act, which overwhelmingly held that there was no right to a jury trial to determine statutory damages.

The legislative history of the 1909 Act further confirms this conclusion. For example, a Senate Report stated that the new statutory damages remedy would "leav[e] still to the discretion of the court (the proceeding being in equity), where the discretion is invoked, the determination of the total, up to a [statutory] limit." S. Rep. No. 59-6187 at 9 (1907).

2. The Seventh Amendment does not require invalidation of Congress' decision to assign responsibility for determining statutory damages to the judge rather than to a jury.

a. In 18th-century England, actions for copyright infringement were most often brought in the courts of equity. Although a 1710 statute authorized law courts to award non-discretionary damages of one penny per page, an action for a discretionary award of statutory damages is more closely akin to equitable actions for copyright infringement. In the United States, Congress did not introduce discretionary statutory damages until 1909, and most reported cases were equitable actions in which the judge awarded statutory damages.

b. Several features of the statutory damages remedy strongly support the conclusion that it is equitable in nature. First, statutory damages are a highly flexible form of relief intended to permit the court to do justice in each particular

case. Second, an award of statutory damages does not require proof of actual damages, and thus does not implicate the jury's historic role as a fact-finding body. Third, Congress created the statutory damages remedy because the traditional legal remedies were recognized to be inadequate in many cases. Fourth, statutory damages, unlike legal damages, do not serve any particular remedial purpose. Fifth, statutory remedies are designed "to sanction and vindicate the statutory policy," *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952), which makes them equitable rather than legal.

c. Judges are better-suited than juries to make the highly discretionary, multi-factor determination of an appropriate award of statutory damages. Although juries are sometimes called upon to exercise considerable discretion, the Seventh Amendment surely does not require Congress to assign to juries tasks for which judges are better suited, and that are far removed from the jury's core function as a finder of facts.

d. The Seventh Amendment does not require that a particular trial decision be made by the jury unless the decision is "regarded as fundamental, as inherent in and of the essence of the system of trial by jury." *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1390 (1996). Because Parliament and Congress originally imposed mechanical formulas for determining damages, the Seventh Amendment does not prevent Congress from delegating that determination to a trial judge. More recent precedent, which shows that judges have routinely made discretionary awards of statutory damages, supports that conclusion. Moreover, the statutory policy of protecting the value of copyrights is furthered by assigning discretionary determinations of statutory damages to the trial judge.

ARGUMENT

I. CONGRESS DID NOT INTEND TO PROVIDE A RIGHT TO A JURY TRIAL IN COPYRIGHT INFRINGEMENT ACTIONS FOR STATUTORY DAMAGES.

The text of the Copyright Act provides a clear answer to the first question presented in this case: Congress did not intend to provide a right to a jury determination of statutory damages in actions for copyright infringement. The clear meaning of Section 504(c) of the Copyright Act, 17 U.S.C. § 504(c), is confirmed by the language of related provisions of the Act, by Congress' reenactment of the statutory language after it had been held not to provide a jury trial right, and by the drafting history.

A. The Text Of The Copyright Act Demonstrates That Congress Did Not Intend To Provide A Right To A Jury Trial In Statutory Damages Actions.

The Copyright Act provides that a copyright owner may elect to recover from an infringer either (1) the copyright owner's "actual damages" and any additional "profits of the infringer" or (2) "statutory damages." 17 U.S.C. § 504(a) (1994). As to statutory damages, Section 504(c) provides:

[T]he copyright owner may elect, *at any time before final judgment is rendered*, to recover, instead of actual damages and profits, an award of statutory damages . . . in a sum of not less than \$500 or more than \$20,000 *as the court considers just*.

Id. § 504(c)(1) (emphasis added). Section 504(c) further provides that "*the court in its discretion*" may increase the statutory award to as much as \$100,000 if the infringement was willful or decrease the award to as little as \$200 if the infringement was innocent. *Id.* § 504(c)(2) (emphasis added). This statutory language clearly demonstrates — in

two separate ways — that Congress did not intend to provide a right to a jury determination of statutory damages.

First, the statute permits a copyright owner to elect statutory damages "at any time before final judgment is rendered." "Final judgment" in a civil action follows the jury's verdict. *See* Fed. R. Civ. P. 58 ("Every judgment shall be set forth on a separate document.").⁴ Thus, as courts and commentators have recognized, the statutory language permits a copyright owner to elect statutory damages after the jury has returned a verdict on actual damages and been dismissed.⁵ If

⁴ This Court has often addressed the meaning of the term "final judgment." *See, e.g.,* *Flanagan v. United States*, 465 U.S. 259, 263 (1984); *Firestone Tire & Rubber Co. v. Risjord*, 449 U.S. 368, 374 (1981); *Coopers & Lybrand v. Livesay*, 437 U.S. 463, 467 (1978). When Congress uses such a term of art, the Court assumes that "Congress intended it to have its established meaning." *McDermott Int'l, Inc. v. Wilander*, 498 U.S. 337, 342 (1991) (citations omitted).

⁵ *See Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1371, 1380 (2d Cir. 1993) (copyright owner may choose between statutory damages award and actual damages award prior to final judgment); *Branch v. Ogilvy & Mather, Inc.*, 772 F. Supp. 1359, 1364-65 (S.D.N.Y. 1991) (copyright owner may elect statutory damages after jury awards actual damages); *Glazier v. First Media Corp.*, 532 F. Supp. 63, 68 (D. Del. 1982) (same); *see also Oboler v. Goldin*, 714 F.2d 211, 212-13 (2d Cir. 1983) (per curiam) (copyright owner can elect statutory damages on remand); *Alentino Ltd. v. Chenson Enters. Inc.*, 21 U.S.P.Q.2d 1865, 1867 (S.D.N.Y. 1991) (same), *rev'd in part on other grounds sub. nom. N.A.S. Impact Corp. v. Chenson Enters., Inc.*, 968 F.2d 250 (2d Cir. 1992) (same). The *amicus* supporting petitioner has recognized that

[t]he statutory language . . . suggests the copyright owner could wait until the jury had returned its verdict for actual damages and profits, . . . then chose to ask for an award of statutory damages instead of having judgment entered on the verdict

Congress had intended to provide a right to a jury determination of statutory damages, it would not have allowed the copyright owner to elect such damages after dismissal of the jury.

Second, "court" in the legal context commonly refers to a judge or judges. *See Black's Law Dictionary* 353 (6th ed. 1990) ("words 'court' and 'judge' or 'judges' are frequently used in statutes as synonymous"); *Webster's Third New Int'l Dictionary* 522 (unabridged ed. 1993) (defining court as "a judge or judges sitting for the hearing or trial of cases"). The context in which "court" is used in Section 504 confirms that Congress was referring to the trial judge. *See Deal v. United States*, 508 U.S. 129, 132 (1993) ("meaning of a word . . . must be drawn from the context in which it is used") (citation omitted).

Section 504(c) provides that the "court" will exercise "its discretion" in awarding such statutory damages "as the court considers just." Such discretionary rulings are typically assigned to judges rather than juries. Indeed, as explained below, *see pp. 22-25*, Congress' use of the term "discretion" is a strong indication that it viewed the statutory damages remedy as equitable in nature. *See* 1 Dan B. Dobbs, *Law of Remedies* § 2.1(1), at 57 (2d ed. 1993) ("striking characteristic of equity and equitable remedies is a high degree of discretion").

The meaning of "court" in Section 504(c) is confirmed by the language of two related provisions of the Copyright Act. In Section 505, Congress used the same language to describe

² Howard B. Abrams, *The Law of Copyright* § 16.04[B], at 16-16.2 (1995).

the awarding of costs, including attorney's fees.⁶ It is undisputed that attorney's fees and costs are awarded by the judge rather than the jury.⁷ The "normal rule of statutory construction [is] that identical words in different parts of the same act are intended to have the same meaning." *Gustafson v. Alloyd Co.*, 513 U.S. 561, 570 (1995) (quotations omitted); see *U.S. Nat'l Bank of Oregon v. Independent Ins. Agents of Am., Inc.*, 508 U.S. 439, 460 (1993); 2A Norman J. Singer, *Sutherland Statutory Construction* § 47.16, at 184 (5th ed. 1993) ("Where the meaning of a word is unclear in one part of a statute but clear in another part, the clear meaning can be imparted to the unclear usage on the assumption that it means the same thing throughout the statute.").

⁶ Section 505 provides:

In any civil action under this title, *the court in its discretion* may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

17 U.S.C. § 505 (emphasis added).

⁷ Under the Copyright Act, "[t]here is no precise rule or formula for making [attorneys' fees] determinations,' but instead *equitable* discretion should be exercised 'in light of the considerations we have identified.'" *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994) (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 436-37 (1983) (emphasis added); see also *Alyeska Pipeline Serv. Co. v. Wilderness Soc'y*, 421 U.S. 240, 259 (1975) (courts have "inherent power . . . to allow attorneys' fees in particular situations"); *Resolution Trust Corp. v. Marshall*, 939 F.2d 274, 279 (5th Cir. 1991) (per curiam) ("Seventh Amendment does not guarantee a trial by jury to determine the amount of reasonable attorneys fees").

In Section 504(b), moreover, Congress used *different* language to describe awards of actual damages.⁸ "[W]here Congress includes particular language in one section of a statute but omits it in another . . . , it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion." *Keene Corp. v. United States*, 508 U.S. 200, 208 (1993) (quotation omitted). The language of these related statutory provisions thus reinforces the ordinary meaning of Section 504(c).

B. Other Considerations Confirm That Congress Did Not Intend To Provide A Right To A Jury Trial In Statutory Damages Actions.

Petitioner correctly observes that "it is generally understood that, so far as is pertinent here, the 1976 Act effectively reenacted the 1909 Act." Pet. Br. 20. Petitioner thus properly embarks on an analysis of the right to a jury trial under the 1909 Act. It is here, however, that petitioner's analysis goes astray.

First, petitioner fails to recognize the overwhelming weight of judicial authority holding that there was no right to a jury trial under the 1909 Act.⁹ See 2 Paul Goldstein,

⁸ Section 504(b) provides, in part:

The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

17 U.S.C. § 504(b).

⁹ See *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77, 81-82 (1st Cir. 1957); *S.E. Hendricks Co. v. Thomas Publ'g Co.*, 242 F. 37, 41-42 (2d Cir. 1917); *Cayman Music, Ltd. v. Reichenberger*, 403 F. Supp. 794, 797 (W.D. Wis. 1975); *Rodriguez Serra v. Matias Photo Shop*, 21 F.R.D.

Copyright § 14.6.1, at 14:35 (2d ed. 1996) ("those courts that addressed the question generally held that statutory damages under the 1909 Act represented equitable relief"). Shortly after Congress enacted the 1909 Act, the Second Circuit observed:

We entertain no doubt that it was the intention of Congress (1) to preserve the right of a plaintiff to pursue damages and profits by the historic methods of equity if he chooses so to do; and (2) to give the new right of application to the court for such damages as shall 'appear to be just' in lieu of actual damages.

S.E. Hendricks Co., 242 F. at 41-42 (emphasis added).¹⁰

188, 190 (D.P.R. 1957); *Vitagraph, Inc. v. Grobaski*, 46 F.2d 813, 815 (W.D. Mich. 1931); see also *No-Leak-O Piston Ring Co. v. Norris*, 277 F. 951, 954 (4th Cir. 1921) (award of statutory damages is "committed to the discretion of the trial judge"); *Campbell v. Wireback*, 269 F. 372, 375 (4th Cir. 1920) (same); *Cravens v. Retail Credit Men's Ass'n*, 26 F.2d 833, 835-36 (M.D. Tenn. 1924) (declining to refer statutory damages issue to a jury). Although the District Court for the District of Massachusetts found a right to a jury trial, see *Chappell & Co. v. Cavalier Cafe, Inc.*, 13 F.R.D. 321, 323 (D. Mass. 1952), that decision was implicitly overruled by the First Circuit's subsequent decision in *Chappell & Co. v. Palermo Cafe*, 249 F.2d 77 (1st Cir. 1957). See also Julian Caplan, *The Measure of Recovery in Actions for the Infringement of Copyright*, 37 Mich. L. Rev. 564, 587 (1939) (schedule in statutory damages provision "is supposed to aid the judge in the exercise of his discretion" (emphasis added)).

¹⁰ Petitioner relies on the Second Circuit's decision in *Mail & Express Co. v. Life Publ'g Co.*, 192 F. 899 (2d Cir. 1912). See Pet. Br. 19-20. In that decision, however, the Second Circuit did not hold that there was a right to a jury trial in statutory damages actions, but only that the statute permits the trial judge to refer the matter to a jury. *Mail & Express*, 192 F. at 901 ("we do not think . . . it is required that the judge acting by himself shall assess the damages"). In light of the Second Circuit's pronouncement five years later in *S.E. Hendricks* (in which the Second Circuit discussed the *Mail & Express* decision, see 242 F. at 40-41), it is

Only one year before Congress reenacted the provisions of the 1909 Act, a district court confirmed that there was no right to a jury trial. See *Cayman Music*, 403 F. Supp. at 797. If Congress had intended to provide a right to a jury trial in statutory damages actions, it surely would not have remained silent in light of these judicial interpretations of the Act. See *Lorillard v. Pons*, 434 U.S. 575, 581 (1978) ("[W]here, as here, Congress adopts a new law incorporating sections of a prior law, Congress normally can be presumed to have had knowledge of the interpretation given to the incorporated law, at least insofar as it affects the new statute."); 1A *Sutherland Statutory Construction*, supra, § 22.33, at 291 ("[T]he legislature is presumed to know the prior construction of the original act, and if words or provisions in the act or section amended that had been previously construed are repeated in the amendment, it is held that the legislature adopted the prior construction of the word or provision.").

Second, petitioner and his *amicus* overlook crucial provisions of the legislative history of the 1909 Act. A Senate Committee Report clearly indicates that the new statutory damages remedy created by the 1909 Act was for the trial judge sitting in equity. After describing the revisions to the statutory provisions for recoveries under the Copyright Act, the Report states:

It particularly eliminates from the latter all recoveries in the nature of mere penalties, specifying certain sums as a basis for computation, but doing this only by way of suggestion, and leaving still to the discretion of the court (*the proceeding being in equity*), where discretion is

clear that the Second Circuit believed that there was no right to a jury trial. *Id.* at 41. Petitioner ignores *S.E. Hendricks*, the holding of which was reaffirmed in *Oboler v. Goldin*, 714 F.2d 211, 212-13 (2d Cir. 1983) (per curiam).

invoked, the determination of the total, up to a limit of \$5,000.

S. Rep. No. 59-6187 at 8-9 (1907) (emphasis added), *reprinted in* 6 E. Fulton Brylawski & Abe Goldman, Legislative History Of The 1909 Copyright Act, Part Q, at 8-9 (1976) (hereinafter "Brylawski & Goldman").¹¹

The passage from the hearings cited by *amicus* (Abrams Br. 21) is entitled to considerably less weight than a Committee Report, *see Zuber v. Allen*, 396 U.S. 168, 186 (1969), and in any event provides further evidence that the participants in the legislative debate did not understand that there would be a right to a jury trial of statutory damages. Mr. Wilcox recognized that a plaintiff could elect to have statutory damages determined by the judge:

if the plaintiff sought his remedy on the equity side of the court and asked . . . for the substituted damages which are provided for in the second half of that section, then it would be for the court to assess the damages unless it referred that section of assessment of damages to a jury.

Arguments Before The Joint Committee on Patents (Dec. 7-11, 1906), *reprinted in* 4 Brylawski & Goldman, *supra*, Part J, at 177; *see also* Fleming James, Jr., *Right To A Jury Trial In Civil Actions*, 72 Yale L.J. 655, 655 (1963) ("issues in suits in equity, were not [tried to a jury], unless the chancellor in his discretion sent an issue to a jury for an advisory

¹¹ Although this report accompanied a predecessor bill, the provisions on statutory damages in the predecessor bill were essentially identical to provisions of the 1909 Act. The only substantive difference was that the 1909 Act imposed both an upper and a lower limit on statutory damages, while the predecessor bill imposed only an upper limit.

verdict"); Fed. R. Civ. P. 39(c) (authorizing use of advisory juries).¹²

Mr. Steuart, the principal drafter of the statutory damages provision, *see* Abrams Br. 21, expressed the same understanding:

The language of the section, 'In lieu of actual damages and profits, such damages as to the court shall appear just,' would appear to put into the court the absolute right *where it was an equity case* to decide what should be allowed in the way of liquidated damages, subject of course to the limitations that it must not be less than \$250 nor more than \$5,000.

4 Brylawski & Goldman, *supra*, at Part J, at 176 (emphasis added). Other passages from the legislative history confirm the understanding that the copyright owner — but not the alleged infringer — could determine whether a jury would decide the statutory damages issue by deciding whether to bring an action at law or a suit in equity.¹³ *See also* James,

¹² *Mail & Express Co. v. Life Publ'g Co.*, 192 F. 899 (2d Cir. 1912), upon which petitioner relies, is an example of a court exercising this discretion.

¹³ For example, in recommending a change to Section 70, Mr. Steuart stated that:

we could add a third clause which would permit either a suit at law, or a suit in equity because the section, 70, is not limited to either one of those forms of action.

Stenographic Report of the Proceedings at the Third Session of the Conference on Copyright (Mar. 15, 1906), *reprinted in* 3 Brylawski & Goldman, *supra*, Part E, at 243 (emphasis added); *see also id.* at 240 (statement of Mr. Lucking) (bill "attempt[s] to give jurisdiction to a court in equity" to award statutory damages).

The statements from the legislative history set forth by petitioner, Pet. Br. 18 n.6, do not contradict this conclusion. Rather, they simply reflect

supra, 72 Yale L.J. at 671-72 (in copyright actions not seeking a penalty, plaintiff had power to control whether dispute was heard in equity or at law).¹⁴

In sum, Congress intended to assign the determination of statutory damages for copyright infringement to the trial judge rather than to a jury. At a minimum, nothing in the language of the statute or its drafting history indicates that Congress intended to create a right to a jury trial of statutory damages. This Court has recognized that "statutory silence" is not a sufficient basis for inferring a right to a jury trial. *Tull v. United States*, 481 U.S. 412, 417 n.3 (1987); *see also Chauffeurs, Teamsters & Helpers Local No. 391 v. Terry*, 494 U.S. 558, 564 n.3 (1990).

II. THE SEVENTH AMENDMENT DOES NOT REQUIRE A JURY DETERMINATION OF STATUTORY DAMAGES IN A COPYRIGHT INFRINGEMENT CASE.

The remaining question is whether Congress' decision to authorize trial judges to assess statutory damages for copyright infringement must be invalidated as incompatible with the Seventh Amendment. The analysis that this Court applies to

the understanding that a jury would resolve the statutory damages question if the case were to proceed at law, rather than in equity. *See also* 3 Brylawski & Goldman, *supra*, Part E, at 239-40 (statement of Mr. Elder) (recognizing that plaintiff could proceed either in law or equity to recover statutory damages).

¹⁴ The legislative history of the Semiconductor Chip Protection Act of 1984 (which did not amend Section 504 or any other existing provision of the Copyright Act of 1976) does not support a different conclusion. *See Cippollone v. Liggett Group, Inc.*, 505 U.S. 504, 520 (1992) ("views of a subsequent Congress form a hazardous basis for inferring the intent of an earlier one") (quoting *United States v. Price*, 361 U.S. 304, 313 (1960)).

such questions is well-established. "First, we compare the statutory action to 18th-century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature." *Terry*, 494 U.S. at 565 (quoting *Tull*, 481 U.S. at 417-18)); *see also Ross v. Bernhard*, 396 U.S. 531, 538 n.10 (1970). The second factor, the nature of the remedy, is the "more important" one. *Terry*, 494 U.S. at 565.¹⁵ If the Court determines that "the action in question belongs in the law category," it then asks "whether the particular trial decision must fall to the jury in order to preserve the substance of the common-law right as it existed in 1791." *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1389 (1996). Consideration of these factors demonstrates that the Seventh Amendment does not bar Congress from allocating the statutory damages determination to the trial judge.

A. Pre-Merger Custom Supports The Conclusion That There Is No Seventh Amendment Right To A Jury Trial In Statutory Damages Actions.

1. In 18th-Century England, Most Actions For Copyright Infringement Were Brought In Courts Of Equity.

In 18th-century England, an action for copyright infringement could be brought either in a court of equity or in a court of law. Indeed, as petitioner recognizes, equitable actions for copyright infringement were considerably more common than legal actions. *See* Pet. Br. 39 n.29. Petitioner

¹⁵ The Court has identified a third factor, the "practical abilities and limitations of juries," *Ross*, 396 U.S. at 538 n.10, that may limit the right to a jury trial but cannot serve "as an independent basis for extending the right to a jury trial under the Seventh Amendment," *Tull*, 481 U.S. at 418 n.4; *see also Terry*, 494 U.S. at 565 n.4.

states (Pet. Br. 26 n.14) that the monopoly granted by the early licensing acts was enforced in courts of law. Such monopolies, however, were also enforced in courts of equity. See *The Co. of Stationers v. Lee*, 2 Show. K.B. 248, 89 Eng. Rep. 927 (1681). Following the enactment of the Statute of Anne in 1710, courts of equity continued to enjoin copyright infringement. See *Millar v. Taylor*, 4 Burr. 2303, 2396, 98 Eng. Rep. 201, 251 (K.B. 1769) (remedy for copyright infringement is "by an action upon the case, for damages, or a bill in equity for specific relief"). The opinions in *Millar v. Taylor* discuss several cases in which courts of equity enjoined the infringement of published works. See 4 Burr. 2302, 2325, 98 Eng. Rep. 201, 213 (K.B. 1769) (citing *Eyre v. Walker* (1735); *Motte v. Falkner* (1735); *Walthoe v. Walker* (1736); *Tonson v. Walker* (1739)). Courts of equity also enjoined the infringement of an author's copyright in his unpublished work. See, e.g., *Macklin v. Richardson*, Amb. 694, 27 Eng. Rep. 451 (1770); *Duke of Queensberry v. Shebbeare*, 2 Eden. 329, 28 Eng. Rep. 924 (1758); *Pope v. Curl*, 2 Atk. 342, 26 Eng. Rep. 608 (1741); *Forrester v. Waller* (1741), cited in *Millar*, 4 Burr. at 2331, 98 Eng. Rep. at 216.¹⁶

¹⁶ In *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. 257 (K.B. 1774), the House of Lords overruled *Millar*, holding in a 6-5 decision that the Statute of Anne had displaced the common law copyright for published works. Five of the judges in the majority further concluded that, "the author, by the said statute, is precluded from every remedy except on the foundation of the said statute and on the terms and conditions prescribed thereby." 4 Burr. at 2413-2417, 98 Eng. Rep. at 260-262. The sixth, however, concluded that "there may be a remedy in equity upon the foundation of the statute, independent of the terms and conditions prescribed by the statute, in respect of penalties enacted thereby." 4 Burr. at 2409; 98 Eng. Rep. at 258. Accordingly, the issue of whether equitable remedies could be granted under the Statute of Anne was not resolved in *Donaldson*.

Petitioner pays scant attention to these equitable actions, focusing instead on actions at law for damages under the Statute of Anne. But an action for damages under the Statute of Anne was not an action for a discretionary award of statutory damages. The Statute of Anne provided for damages determined by a mechanical formula of "one penny for every sheet which shall be found in [the infringer's] custody," 8 Anne ch. 19 (1710). In marked contrast, an action for statutory damages under the Copyright Act of 1976 calls for a discretionary award in such amount "as the court considers just." 17 U.S.C. § 504(c)(1). See 2 D. Dobbs, *Law of Remedies*, supra, § 6.3(3), at 57 ("Although statutory damages find parallel in the kind of liquidated damages statute that authorizes recovery . . . for each offense, the copyright statute differs significantly from such statutes."); see also *Douglas v. Cunningham*, 294 U.S. 207, 210 (1935) (court need not apply a "statutory yardstick" in awarding statutory damages under 1909 Act).¹⁷

Moreover, a copyright owner is not required to present proof of actual damages or other facts to receive an award of statutory damages. See *F. W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 230, 234 (1952) (affirming statutory damages award even though record was "inadequate to establish an actually sustained amount"); *Douglas v. Cunningham*, 294 U.S. at 208 (statutory damages award should not have been modified by court of appeals even though "the petitioners admitted inability to prove actual damages"); see also 2 H. Abrams, *The Law of Copyright*, supra, § 16.04, at 16-16 (statutory damages "give[] to the court the power to simply pick a sum of money to be awarded

¹⁷ Accordingly, this Court's decision in *Stevens v. Gladding*, 58 U.S. (17 How.) 447, 455 (1854), that a claim for penalties of a dollar a sheet could not be enforced in equity simply has no bearing on the question presented.

as damages . . . without any proof of monetary loss by the copyright owner").

An action for a discretionary award of damages, although unknown in 18th-century England, is thus related to equitable actions for copyright infringement. "The courts of law gave, as they were bound to give, the judgment to which the parties were entitled, taking into consideration only the facts pleaded and proved by evidence." 12 William Holdsworth, *A History of English Law* 595 (1938). In contrast, equity "always took all the circumstances of the case and conduct of the parties into consideration; and its remedies were, for that reason, always discretionary." *Id.* at 565.

2. Pre-Merger Practice In The United States Supports The Conclusion That There Is No Right To A Jury Trial In Actions For Statutory Damages.

Early copyright statutes enacted by Congress followed the model of the Statute of Anne by providing for damages determined by simple multiplication. *See, e.g.*, Act of May 31, 1790, ch. 15, § 2, 1 Stat. 124-25 (fifty cents per sheet); Act of April 29, 1802, ch. 36, § 3, 2 Stat. 171-72 (one dollar per print). Congress first departed from the simple multiplication approach in the Act of August 18, 1856, 11 Stat. 138, which provided that infringers of rights in dramatic compositions were "liable for damages . . . such damages in all cases to be assessed at such sum, not less than one hundred dollars for the first, and fifty dollars for every subsequent performance, as to the court having cognizance thereof shall appear to be just." *See Brady v. Daly*, 175 U.S. 148, 153 (1899) (setting forth text of statute, then codified as Section 4966 of the Revised Statutes). As the Court explained in *Brady*, however, an award in excess of the statutory minimum amounts required proof of *actual* damages. *See id.* at 154 (statute "provides a minimum sum for a recovery in any case,

leaving it open for a larger recovery upon proof of greater damage in those cases where such proof can be made"); *id.* at 155 (where "the plaintiff had, in fact, sustained a greater amount than the minimum sum of damages provided in the statute," plaintiff could recover "the actual amount of damages which the evidence showed had been sustained by the plaintiff"); *id.* at 156 (act provides that "damages shall not be less than a certain sum, and may be more, if proved").¹⁸

Congress introduced discretionary statutory damages (also referred to as "in lieu" damages) in 1909. The novelty of this discretionary award was recognized by participants in the legislative debates and by the courts. For example, Mr. Parkinson observed:

[Y]ou have gone away beyond . . . any common-law right or remedy that has ever been given in a statute before. . . . You have made provision by which the recovery of costs shall be as never have appeared in any federal court before.

Arguments Before the House Copyright Subcommittee of the Committee on Patents, Jan. 20, 1909, *reprinted in* 5 Brylawski & Goldman, Part L, at 31. *See also* Caplan, *supra*, 37 Mich. L. Rev. at 588 (statutory damages "are a rarity in the law and bound to evoke criticism from exponents of the

¹⁸ The Court's suggestion in *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 109 (1919), that the statutory damages provision of the 1909 Act incorporated aspects of Section 4966 clearly applied only to "the minimum limitation."

The Act of March 2, 1895, ch. 194, 28 Stat. 965, which set maximum and minimum awards for various works of visual art, merely placed upper and lower limits on monetary awards that were determined by simple multiplication (one dollar per sheet), rather than by an exercise of the court's discretion.

common-law system of measuring damages"). Eight years after the passage of the 1909 Act, the Second Circuit declared:

We entertain no doubt that it was the intention of Congress . . . to give the *new* right of application to the court for such damages as shall 'appear to be just' in lieu of actual damages.

S.E. Hendricks Co., 242 F. at 41-42 (emphasis added); see also *Gross v. Van Dyk Gravure Co.*, 230 F. 412, 413 (2d Cir. 1916) (Congress replaced the "old penalties" with a "discretionary power of the court" to award damages "without the limitations of usual legal proof"); *Woodman v. Lydiard-Peterson Co.*, 192 F. 67, 70 (D. Minn. 1912) ("Prior to the Act of 1909 [plaintiff] had to prove his damages.").

An overwhelming majority of the reported actions for statutory damages decided between 1909 and the merger of law and equity in the federal court system in 1938 were brought on the equity side of the court.¹⁹ Indeed, all three of the statutory damages actions decided by this Court between 1909 and 1938 were brought in equity, and in each case the trial judge awarded statutory damages. See *Douglas v. Cunningham*, 294 U.S. 207 (1935); *Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202 (1931); *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100 (1919); see also *F.W. Woolworth Co.*, 344 U.S. at 236 (Black, J., dissenting) ("this Court has held that the amount of such damages is committed

¹⁹ See, e.g., *Russell & Stoll Co. v. Oceanic Elec. Supply Co.*, 80 F.2d 864 (2d Cir. 1936) (per curiam); *Insurance Press v. Ford Motor Co.*, 255 F. 896 (2d Cir. 1918) (affirming without opinion decision of A. Hand); *Gross*, 230 F. 412; *Cravens*, 26 F.2d 833; *Fred Fisher, Inc. v. Dillingham*, 298 F. 145 (S.D.N.Y. 1924) (L. Hand, J.); *Norris v. No-Leak-O Piston Ring Co.*, 271 F. 536 (D. Md.), *aff'd*, 277 F. 951 (4th Cir. 1921); *Altman v. New Haven Union Co.*, 254 F. 113 (D. Conn. 1918); *Waterson, Berlin & Snyder Co. v. Tollefson*, 253 F. 859 (S.D. Cal. 1918); *Sauer v. Detroit Times Co.*, 247 F. 687 (E.D. Mich. 1917).

to the unreviewable discretion of a trial judge"). In the light of these precedents, it is clear that a defendant was not regarded as having a right to a jury trial for statutory damages, although a copyright owner could obtain a jury trial by initiating the action in the law court.²⁰

B. The Statutory Damages Remedy Is Equitable In Nature.

Although "an action for money damages was 'the traditional form of relief offered in the courts of law,'" it is not the case that "any award of monetary relief must necessarily be 'legal' relief." *Terry*, 494 U.S. at 570 (quoting *Curtis v. Loether*, 415 U.S. 189, 196 (1974)); see also *id.* at 591 (Kennedy, J., dissenting) ("we have not adopted a rule that a statutory action permitting damages is by definition more analogous to a legal action than to any equitable suit"). When an award of money damages serves an equitable purpose, this Court has not hesitated to find that there is no right to a jury trial. See, e.g., *Mitchell v. Robert DeMario Jewelry, Inc.*, 361 U.S. 288 (1960) (awards of lost wages under Fair Labor Standards Act are equitable); *Porter v. Warner Holding Co.*, 328 U.S. 395 (1946) (recovery and restitution of illegal rents under Emergency Price Control Act is equitable). See generally 1 Spencer W. Symons, *Pomeroy's Equity Jurisprudence* (5th ed. 1941) § 112, at 147-49 (equity courts awarded monetary relief).

Historically, actions at law were intended to compensate the plaintiff for injuries caused by the defendant's conduct. See *Wicker v. Hoppock*, 73 U.S. (6 Wall.) 94, 99 (1867) ("The general rule is, that when a wrong has been done, and the law gives a remedy, the compensation shall be equal to the

²⁰ See *Arnstein v. Twentieth Century Fox Film Corp.*, 3 F.R.D. 58 (S.D.N.Y. 1943) (copyright plaintiff "had a right to elect whether he would sue at law or in equity"); *James, supra*, 72 Yale L.J. at 671-72.

injury."); 1 *Pomeroy's Equity Jurisprudence*, *supra*, § 109, at 140-41 ("the law gives . . . the recovery of money, which may be either an ascertained sum owed as a debt, or a sum by way of compensation, termed damages"). Thus, statutory actions brought to recover *actual* damages are traditionally viewed as legal. See *Curtis*, 415 U.S. at 196. Actions to recover civil penalties also were within the jurisdiction of the law courts. See *Tull*, 481 U.S. at 418. These penalties were intended to punish culpable individuals, and they were thus afforded a right to a jury trial. See *Tull*, 481 U.S. at 422.

Statutory damages under the Copyright Act cannot be classified either as actual damages or as a civil penalty. Statutory damages "compel[] restitution of profit and reparation for injury" as well as "discourage wrongful conduct." *F.W. Woolworth*, 344 U.S. at 233. They may be awarded even if defendant's conduct was "uninjurious and unprofitable." *Id.* In short, the statutory damages remedy is unique. 2 D. Dobbs, *Law of Remedies*, *supra*, § 6.3(3), at 57; see also H. Abrams, *The Law of Copyright*, *supra*, § 16.04, at 16-15 to -16 (statutory damages are "[p]erhaps the most unique feature of the remedies for copyright infringement"). Several features of the statutory damages remedy point strongly to the conclusion that it is equitable rather than legal in nature.

First, "[t]he essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case. Flexibility rather than rigidity has distinguished it." *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944); see *Alexander v. Hillman*, 296 U.S. 222, 239 (1935) ("Treating their established forms as flexible, courts of equity may suit proceedings and remedies to the circumstances of cases and formulate them appropriately to safeguard, conveniently to adjudge and promptly to enforce substantial rights"); 1 *Pomeroy's Equity Jurisprudence*, *supra*, § 109, at 141 ("the court of equity has

the power of devising its remedy and shaping it so as to fit the changing circumstances of every case and the complex relations of all the parties"); 1 D. Dobbs, *Law of Remedies*, *supra*, § 2.1(1), at 56 ("the Chancellors also invented remedies."). Legal remedies, by contrast, generally are characterized by "their uniformity, their unchangeableness or fixedness, their lack of adaptation to circumstances, and the technical rules which govern their use." 1 *Pomeroy's Equity Jurisprudence*, *supra*, § 109, at 140.

Statutory damages fit the flexible equity model. In *L.A. Westermann*, this Court observed that statutory damages are to be controlled by "the court's discretion and sense of justice." 249 U.S. at 106. The amount awarded should be based on "the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like." *Id.* In *Douglas v. Cunningham*, this Court reiterated that "[t]he trial judge may allow such damages as he deems to be just" and that "[t]his construction is required by the language and the purpose of the statute." 294 U.S. at 210. In *F.W. Woolworth*, this Court again observed that "[t]he necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of wide *judicial* discretion within limited amounts conferred by this statute." 344 U.S. at 232 (emphasis added).

Second, an award of statutory damages does not implicate the jury's core function as a "fact-finding body." *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 501 (1959) (quoting *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935)).²¹ A

²¹ The Court's focus on protecting the fact-finding role of the jury in Seventh Amendment cases is rooted in the text of the Constitution, which provides, in part, that "no fact tried by a jury shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law." U.S. Const. amend. VII.

copyright owner need not submit proof of actual damages or profits to obtain a statutory damages award. See *F.W. Woolworth*, 344 U.S. at 232-33 (court has discretion to award statutory damages greater than amount of defendant's profits); *Cable/Home Communication Corp. v. Network Prods., Inc.*, 902 F.2d 829, 850 (11th Cir. 1990) (plaintiffs may elect statutory damages "whether or not adequate evidence exists as to the actual damages incurred by plaintiffs or the profits gained by defendants"); p. 17 above.

Third, Congress created the statutory damages remedy because the traditional legal remedies — actual damages and profits — were recognized to be inadequate in many cases. See *Douglas*, 294 U.S. at 209 ("rules of law render difficult or impossible proof of damages or discovery of profits"); see also *F.W. Woolworth Co.*, 344 U.S. at 234 ("statute empowers the trial court in its sound exercise of judicial discretion to determine whether on all the facts a recovery upon proven profits and damages or one estimated within the statutory limits is more just"); *Business Trends Analysts, Inc. v. Freedonia Group, Inc.*, 887 F.2d 399, 406 (2d Cir. 1989) ("The specific purpose of [section 504(c)] is to offer plaintiffs an alternative for use where Section 504(b) provides inadequate relief."). Inadequacy of legal remedies is a basis for affording equitable relief. See, e.g., *Holmberg v. Armbrecht*, 327 U.S. 392, 396 (1946) ("suit in equity may lie though a comparable cause of action at law would be barred.").

Fourth, Congress has not limited the range of factors that the trial court may consider in determining an appropriate award of statutory damages, which can vary by a factor of 40 (from \$500 to \$20,000). Indeed, a statutory damages award is effectively immune from judicial review. See *L.A.*

Westermann Co., 249 U.S. at 106.²² As this Court has recognized, such "highly discretionary calculations that take into account multiple factors . . . are the kinds of calculations traditionally performed by judges." *Tull*, 481 U.S. at 427.

Fifth, statutory damages serve "to sanction and vindicate the statutory policy." *F.W. Woolworth Co.*, 344 U.S. at 233. This is a role traditionally performed by the equity courts. "As this Court long ago recognized, 'there is inherent in the Courts of Equity a jurisdiction to . . . give effect to the policy of the legislature.'" *Mitchell*, 361 U.S. at 292 (quoting *Clark v. Smith*, 38 U.S. (13 Pet.) 195, 203 (1839)); *Porter v. Warner Holding Co.*, 328 U.S. 395, 400 (1946) (court has inherent equitable jurisdiction to award return of excessive rent charges to ensure that "the statutory policy of preventing inflation is . . . advanced").²³

²² As petitioner recognizes (Pet. Br. 44 n.33), jury awards of discretionary damages are "subject to appropriate judicial review." See *Honda Motor Co. v. Oberg*, 512 U.S. 415, 434 (1994) ("in civil cases, the jury's discretion to determine the amount of damages was constrained by judicial review").

²³ Petitioner argues that a jury must award statutory damages because the award may be increased upon a finding of willful infringement. But Congress may provide for increased damages for willful violations of law without affording a right to a jury trial. For example, the Patent Act permits the trial judge to increase a damages award up to three times the actual damages upon a finding of willfulness. This Court long ago held that "[t]he power to inflict vindictive or punitive damages is committed to the discretion and judgment of the court within the limit of trebling the actual damages by the jury." *Seymour v. McCormick*, 57 U.S. (16 How.) 480, 488 (1853); see also *Swofford v. B & W, Inc.*, 336 F.2d 406, 413 (5th Cir. 1964) ("[W]e think that 35 U.S.C. § 284 (1958), which gives the trial judge discretion to increase the damages up to three times the amount found by the jury or assessed by the trial judge, does not deny the plaintiffs any constitutional right to a jury trial."), *cert. denied*, 379 U.S. 962 (1965). In addition, trial judges frequently make findings of "bad

C. The Relative Abilities Of Judges And Juries Weigh Against Finding A Constitutional Right To A Jury Trial.

This Court also may consider the relative abilities of judges and juries as an additional factor that weighs against finding a Seventh Amendment right to a jury trial. The award of statutory damages is a largely unguided exercise of discretion that calls on the decisionmaker to weigh a variety of factors, including the policy choices embodied in the Copyright Act. See *Broadcast Music, Inc. v. Star Amusements, Inc.*, 44 F.3d 485, 489 (7th Cir. 1995) (court has "almost unfettered discretion" in setting the amount of statutory damages). As Learned Hand described the task:

I must assess the damages, all things considered, by the best inference I can make, even where I cannot have much basis for certainty, *even when the plaintiff would fail, were the issue tried before a jury.*

Gross, 230 F. at 413 (emphasis added) (setting forth Hand's opinion in trial court); see also *F.W. Woolworth Co.*, 344 U.S. at 231 ("recovery may be awarded without any proof of injury"); *Morley Music Co. v. Dick Stacey's Plaza Motel, Inc.*, 725 F.2d 1, 3 (1st Cir. 1983) ("there need not be the kind of hearing required if factual damages were the issue"); *Russell & Stoll Co. v. Oceanic Elec. Supply Co.*, 80 F.2d 864, 865 (2d Cir. 1936) (per curiam) ("court may use [statutory damages] without proof of the quantum of loss"); *Campbell*, 269 F. at 375 (affirming judge's award of statutory

faith" in connection with awarding attorneys' fees. See *Christiansburg Garment Co. v. EEOC*, 434 U.S. 412, 419 (1978) ("under the American common-law rule attorney's fees may be awarded against a party who has proceeded in bad faith"); *Alyeska Pipeline*, 421 U.S. at 258-59 (judge may award attorneys' fees upon finding of "willful disobedience" and "bad faith").

damages even though "damages are indirect and not capable of ascertainment"); *S.E. Hendricks*, 242 F. at 42 (court sets damages "without being bound to or by legal proof").²⁴

Although juries sometimes are called upon to exercise considerable discretion, the Seventh Amendment surely does not *require* a jury to make a determination that is so far afield from its basic fact-finding function, and that Congress has assigned to the trial judge.²⁵

²⁴ Courts have considered a wide variety of factors in determining statutory damages, including: restitution, compensation, and deterrence, *F.W. Woolworth*, 344 U.S. at 233; whether the parties complied with their contractual obligations, *Frankel v. Stein & Day, Inc.*, 470 F. Supp. 209, 215 n.4 (S.D.N.Y. 1979), *aff'd*, 646 F.2d 560 (2d Cir. 1980); the defendant's state of mind, *Milene Music, Inc. v. Gotaucos*, 551 F. Supp. 1288, 1296 (D.R.I. 1982); whether the defendant relied on counsel, *National Geographic Soc'y v. Classified Geographic, Inc.*, 27 F. Supp. 655, 662 (D. Mass. 1939); a pattern of past infringements, *Kenbrooke Fabrics, Inc. v. Holland Fabrics, Inc.*, 602 F. Supp. 151 (S.D.N.Y. 1984); potential damage to the plaintiff's reputation caused by the poor quality of the infringing work, *United Features Syndicate, Inc. v. Spree*, 600 F. Supp. 1242, 1247 (E.D. Mich. 1984), *appeal dismissed*, 779 F.2d 53 (6th Cir. 1985); the training and effort undertaken by the plaintiff, *Cory v. Physical Culture Hotel, Inc.*, 14 F. Supp. 977, 984 (W.D.N.Y. 1936), *aff'd*, 88 F.2d 411 (2d Cir. 1937); and whether the defendant acknowledged copying the plaintiff's work, *Warren v. White & Wycoff Mfg. Co.*, 39 F. 2d 922, 923 (S.D.N.Y. 1930).

²⁵ Although a jury may be of "immense value in . . . adjudicating troublesome issues of fact. . . it is not showing care for the jury to force it into classes of claims where the right is dubious and the use inconvenient and burdensome." *Damsky v. Zavatt*, 289 F.2d 46, 59 (2d Cir. 1961) (Clark, J., dissenting). See James, *supra*, 72 Yale L.J. at 691 n.203 (referring to Judge Clark's view as "wise and temperate").

D. Judicial Determination of Statutory Damages Does Not Interfere With The Substance Of The Right To Jury Trial.

Even when the Court is confronted with an action that was tried at law in 1791, it asks "whether the particular trial decision [at issue] must fall to the jury in order to preserve the substance of the common-law right as it existed in 1791." *Markman v. Westview Instruments, Inc.*, 116 S. Ct. at 1389. The Seventh Amendment requires that the jury decide only those matters that are "necessary to preserve the "substance of the common-law right of trial by jury."'" *Id.* at 1390 (quoting *Tull*, 481 U.S. at 426, quoting, in turn, *Colegrove v. Battin*, 413 U.S. 149, 156 (1973)). "'Only those incidents which are regarded as fundamental, as inherent in and of the essence of the system of trial by jury, are placed beyond the reach of the legislature.'" *Markman*, 116 S. Ct. at 1390 (quoting *Tull*, 481 U.S. at 426). In determining whether an incident is necessary to preserve the substance of the right to trial by jury, the Court has looked to historical practice, and, if the historical evidence is unclear, to more recent precedent, the relevant statutory policies, and to the relative interpretive skills of judges and juries. *Markman*, 116 S. Ct. at 1393.

Petitioner asserts (Pet. Br. 39 & n.29) that there is no pre-1791 authority addressing whether the damages under the Statute of Anne were determined by a jury. In fact, however, Parliament itself determined that damages for copyright infringement should be one penny per sheet, just as Congress provided for damages of fifty cents or one dollar per sheet in early copyright statutes in the United States. *See supra* p. 16, 18. Because "Congress itself" may (and, in fact, did) determine the amount of statutory damages, "it may delegate that determination to trial judges." *Tull*, 481 U.S. at 427.

More recent precedent provides additional support for the conclusion that determination of statutory damages is not "of

the essence of" the jury trial right. In the United States, federal courts sitting in equity routinely determined statutory damages for copyright infringement from the time the remedy was introduced in 1909. Moreover, Congress' assignment of the statutory damages determination to trial judges furthers the statutory policy of protecting intellectual property by permitting copyright owners to avoid the expense and delay of a jury trial. Finally, "highly discretionary calculations that take into account multiple factors" are traditionally assigned to judges rather than juries. *Tull*, 481 U.S. at 427.²⁶

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted,

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²⁶ In determining the "substance of the common law right," the Court has also looked to whether an issue of law or fact is to be decided. *See Markman*, 116 S. Ct. at 1390. As explained above, p. 26, an award of statutory damages does not require any factual findings, and thus assigning this determination to the judge does not invade the jury's core fact-finding role.

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IN THE
Supreme Court of the United States
OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE NINTH CIRCUIT

**Brief of The American Society of Composers,
Authors and Publishers (ASCAP) as *Amicus
Curiae* on the Merits in Support of Respondent
and Affirmance of the Decision Appealed From**

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17 U.S.C. § 504(c).	Passim
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3 E. Fulton Brylawski and Abe Goldman, eds., <i>Legislative History of the 1909 Copyright Act</i> , Part E at 16, 229-44 (1976).	15

4 E. Fulton Brylawski and Abe Goldman, eds., <i>Legislative History of the 1909 Copyright Act</i> , Part H at 177 (1976).	15
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III E. Allen Farnsworth, <i>Farnsworth</i> <i>on Contracts</i> , § 12.18 (1990).	18
Alois Valerian Gross, Annotation, <i>Measure of Statutory Damages to</i> <i>Which Copyright Owner Is Entitled</i> <i>Under 17 U.S.C.S. § 504(c)</i> , 105 A.L.R. Fed. 345 (1991 & Supp. 1997).	9
1 Oleck, <i>Damages to Persons and</i> <i>Property</i> § 161.	17

CONSTITUTIONAL AND STATUTORY PROVISIONS

The Seventh Amendment of the United States Constitution

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

U.S. Const. Amend. VII.

The Copyright Act of 1909

§ 25. Infringement

If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

(a) Injunction—To an injunction restraining such infringement:

(b) Damages and profits; amount; other remedies—To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only, and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits, such damages as to the court shall appear to be just, and assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but in case of a newspaper reproduction of a copyrighted photograph, such damages shall not exceed

the sum of \$200 nor be less than the sum of \$50, and such damages shall in no other case exceed the sum of \$5,000 nor be less than the sum of \$250, and shall not be regarded as a penalty.

First. In the case of a painting, statue, or sculpture, \$10 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Second. In the case of any work enumerated in section 5 of this title, except a painting, statue, or sculpture, \$1 for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Third. In the case of a lecture, sermon, or address, \$50 for every infringing delivery;

Fourth. In the case of a dramatic or dramatic-musical or a choral or orchestral composition, \$100 for the first and \$50 for every subsequent infringing performance; in the case of other musical compositions, \$10 for every infringing performance;

Act of March 4, 1909, § 25, 35 Stat. 1075 (later amended and codified as 17 U.S.C. § 101)

The Copyright Act of 1976

§ 504 Remedies for infringement: Damages and profits

. . . .

(c) Statutory Damages.—

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of

statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than \$250 or more than \$10,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$50,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than \$100. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

Pub. L. No. 94-553, Title I, § 101, Oct. 19, 1976, 90 Stat. 2541, 2585 (codified at 17 U.S.C. § 504(c)).

17 U.S.C. § 504(c)

(c) Statutory Damages.—

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than \$500 or more than \$20,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than \$200. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employ

¹ So in original. Probably should be "in."

ee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

The Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, § 10(b), Oct. 31, 1988, 102 Stat. 2853, 2860 (amending § 504(c) of the 1976 Copyright Act).

INTEREST OF THE AMICUS CURIAE

ASCAP has received written consents by John Glover Roberts, Jr., Esq., counsel of record for Petitioner, and Henry J. Tashman, Esq., counsel of record for Respondent, to submit an *Amicus Curiae* brief. Those consents are on file with the Clerk of this Court.

The American Society of Composers, Authors and Publishers (ASCAP) is a performing rights licensing organization whose nearly 70,000 writer and publisher members collectively license public performances of more than four million copyrighted musical compositions. In the words of Justice White, "[i]n 1914, Victor Herbert and a handful of other composers organized ASCAP because those who performed copyrighted music for profit were so numerous and widespread, and most performances so fleeting, that as a practical matter it was impossible for the many individual copyright owners to negotiate with and license the users and to detect unauthorized uses." *Broadcast Music, Inc. v. Columbia Broad. System*, 441 U.S. 1, 4-5 (1979). In the eighty years since Justice Holmes wrote his seminal decision in *Herbert v. Shanley Co.*, 242 U.S. 591 (1917), ASCAP has commenced on behalf of its members literally thousands of copyright infringement actions against infringers ranging in size from the operators of small restaurants and retail stores to radio and television stations and cable television networks.

Given the foregoing breadth of ASCAP's experience in suing under the 1909 and 1976 Copyright Acts, it believes it presents to the Court the views of an organization with a unique interest in and knowledge of the realities of litigation pursuant to the provisions of the Copyright Act in general and 17 U.S.C. § 504(c) in particular.

It has long been ASCAP's experience that such litigation is a *sine qua non* in order to effectuate widespread compliance with the Copyright Law on the part of those who perform music publicly. And the substantial success enjoyed by ASCAP's members as a result of such compliance is due largely to the ability of copyright owners to obtain statutory damage awards typically on motions for summary judgment. Permitting jury trials in such garden-variety enforcement actions will likely result in delay and increased expense—not just for ASCAP but for the infringers as well.

SUMMARY OF ARGUMENT

This Court has ruled that in determining whether the Seventh Amendment to the United States Constitution mandates trial by jury of issues in a civil action pending in federal court, there must be "examination of the issues involved and the remedy sought" in the light of practice at common law in the 18th century. The second inquiry is regarded as decisive.

Statutory damages have always involved the fixing of a sum between minimum and maximum amounts, usually in the absence of proof of actual damages or profits wrongfully gained. Courts must improvise to find a number which, in the exercise of the court's almost unlimited and unreviewable discretion is "just" or "fair," predicated on a wide variety of considerations or factors. Those considerations or factors are based on perceived policies arising out of the copyright law and the public interest.

Enactment by Congress of § 504(c) of the 1976 Copyright Act, which in effect incorporated the provisions of § 25(b) of the 1909 Copyright Act, is implicit but unquestionable confirmation of Congressional approval of the method by which statutory damages had evolved and been determined by the federal courts during the preceding 67 years.

There is no precedent for such a form of remedy under the common law as it existed in the 18th century or even thereafter. Therefore, statutory damages are a remedy foreign to the common law and should not be subject to the restrictions of the Seventh Amendment.

Finally, as a matter of judicial policy, affording to juries the right to award statutory damages would be unwise because of the highly discretionary manner in which they are calculated. Thus, there is substantial risk that infringers

would be made to pay excessive sums as a consequence of their lack of popularity, not their infringements. There is also a danger of lack of uniformity in the damages assessed by juries in different parts of the country. The latter would be particularly inappropriate in the enforcement of a national statute such as the Copyright Act which is intended to be uniform in its application.

ARGUMENT

I. WHETHER THE RIGHT TO DAMAGES UNDER 17 U.S.C. § 504(c) SHOULD BE CONSIDERED A COMMON LAW REMEDY IS DECISIVE OF THIS APPEAL.

Whether an issue is subject to a Seventh Amendment right to trial by jury in a civil action predicated on a federal statute, must be determined by "examination of the issues involved and the remedy sought." *Chauffeurs, Teamsters and Helpers Local No. 391 v. Terry*, 494 U.S. 558, 563 (1990) [hereinafter *Terry*]. *Terry* quoted *Tull v. United States*, 481 U.S. 412, 417-18 (1987):

"First, we compare the statutory action to 18th century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature." *Tull, supra*, at 417-418, (citations omitted). The second inquiry is the more important in our analysis. *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989).

494 U.S. at 565.

Merely because an award of damages is mandated, does not necessarily mean that there must be trial by jury. *Terry*, 494 U.S. at 569. *Tull v. United States* held that damages in the form of civil penalties under the Clean Water Act, 33 U.S.C. § 1319(d), involved "highly discretionary calculations that take into account multiple factors" and were "the kinds of calculations traditionally performed by judges." 481 U.S. at 427. Therefore, the Court held the "assignment of the determination of the amount of civil penalties [under the

Clean Water Act] to trial judges does not infringe on the constitutional right to a jury trial." *Id.* at 426-27.

Prior to the above cases, *Lorillard v. Pons*, 434 U.S. 575, 583-85 (1978), distinguished between the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964. Title VII provides for damages for "backpay" as "a matter of equitable discretion" and therefore may not mandate jury trials as to the amounts thereof. *Id.* at 584. This was contrasted with Title VIII of the Civil Rights Act and the Age Discrimination in Employment Act, which do not make damages a matter of discretion and therefore do require trial by jury under the Seventh Amendment. *Id.* at 585; see *Curtis v. Loether*, 415 U.S. 189, 197 (1974).

The remedy of "statutory damages" contemplated by 17 U.S.C. § 504(c), is not a common law remedy. Rather, the award of such damages involves precisely the discretionary, complex calculations which make them "the kinds of calculations traditionally performed by judges." *Tull v. U.S.*, 481 U.S. at 427. Determination of such statutory damages also involves the same sort of discretion as is exercised in the disposition of equity cases.

Finally, as we shall see in Part II. B, the legislative history of the 1976 Copyright Act, of which 17 U.S.C. § 504(c) is a part, and its predecessor under the 1909 Act, is consistent with the position that the fixing of statutory damages is not subject to a jury trial.

II STATUTORY DAMAGES UNDER 17 U.S.C. § 504(c) ARE NOT AND WERE NOT INTENDED TO BE A COMMON LAW REMEDY.

A. Statutory Damages Under The Copyright Acts Of 1976 And 1909 As They Have Evolved In The Courts Are Not A Common Law Remedy.

There is no dispute that:

... Section 25(b) of the Copyright Act of 1909 ... [is] ... the direct predecessor to Section 504(c) [of the 1976 Copyright Act].

Brief for Petitioner at 33. There is also no dispute that the purpose of both § 25(b) of the 1909 Act and § 504(c) of the 1976 Act¹ was to provide an injured copyright owner with a substitute remedy for actual damages and illicit profits, when the copyright holder either chose not, or was unable, to adduce evidence of either. Brief for Petitioner at 34.

The courts were given extraordinary discretion to determine the amounts due under Section 25(b) of the 1909 Act. For example, in *Douglas v. Cunningham*, 294 U.S. 207, 210 (1935), this Court wrote:

¹ Hereinafter, references to the "1909 Act" are to the Copyright Act of 1909, Act of March 4, 1909, § 25, 35 Stat. 1075, and references to the "1976 Act" are to the Copyright Act of 1976, Pub. L. No. 94-553, Title I, § 101, Oct. 19, 1976, 90 Stat. 2541, 2585.

In other words, the employment of the statutory yardstick within set limits, is committed solely to the court which hears the case, and this fact takes the matter out of the ordinary rule with respect to abuse of discretion. This construction is required by the language and the purpose of the statute.

Similar statements appear in *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 106-07 (1919):

The fact that these damages are to be "in lieu of actual damages" shows that something other than actual damages is intended—that another measure is to be applied in making the assessment. . . . In other words, the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like, is made the measure of the damages to be paid, but with the express qualification that in every case the assessment must be within the prescribed limitations, Within these limitations the court's discretion and sense of justice is controlling,

Id.; see *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952).²

² Justices Black and Frankfurter in their dissent in *F.W. Woolworth* contended that the "prejudicial" remarks of the trial judge mandated a new trial because, "this Court has held that the amount of such [statutory] damages is committed to the unreviewable discretion of a trial judge. . . ." 344 U.S. at 236 (citing *Douglas v. Cunningham*, 294 U.S. 207, 210 (1935)).

The federal courts,³ taking their cues from this Court, have employed a host of factors in exercising their discretion to fix the amounts to be awarded as statutory damages under both the 1909 and the 1976 Copyright Acts. See *Fitzgerald Publishing Co., Inc. v. Baylor Publishing Co., Inc.*, 807 F.2d 1110, 1117 (2d Cir. 1986) (listing factors courts have considered); Alois Valerian Gross, Annotation, *Measure of Statutory Damages to Which Copyright Owner Is Entitled Under 17 U.S.C.S. §504(c)*, 105 A.L.R. Fed. 345 (1991 & Supp. 1997). Those factors include:

(1) the expenses saved and the profits reaped by the infringers; *Rare Blue Music, Inc. v. Guttadauro*, 616 F. Supp. 1528, 1530 (D. Mass. 1985); *Milene Music, Inc. v. Gotaucio*, 551 F. Supp. 1288, 1296 (D.R.I. 1982); *Boz Scaggs Music v. KND Corp.*, 491 F. Supp. 908, 914 (D.Conn. 1980);

(2) revenues lost by the plaintiff as a result of defendant's conduct; *Rare Blue Music, Inc. v. Guttadauro*, 616 F. Supp. 1528, 1530 (D. Mass. 1985); *Milene Music, Inc. v. Gotaucio*, 551 F. Supp. 1288, 1296 (D.R.I. 1982); *Boz Scaggs Music v. KND Corp.*, 491 F. Supp. 908, 914 (D.Conn. 1980);

(3) the nature and fair market value of the copyright; *Los Angeles News Service v. Reuters Television Int'l Ltd.*, 942 F. Supp. 1275, 1282-83 (C.D.CA. 1996); *Branch v. Ogilvy & Mather, Inc.*, 772 F. Supp. 1359,

³ Many of these cases were brought by ASCAP on behalf of, and in the name of, its members whose copyrights were infringed.

1365 (S.D.N.Y. 1991); *United Features Syndicate, Inc. v. Spree, Inc.*, 600 F. Supp. 1242, 1246 (E.D. Mich. 1984);

(4) the deterrent effect on others besides the defendant; *United Features Syndicate, Inc. v. Sunrise Mold Co.*, 569 F. Supp. 1475, 1481 (S.D. Fla. 1983);

(5) the defendant's state of mind: whether the defendant's conduct was willful, knowing or innocent; *Cass County Music Co. v. C.H.L.R. Inc.*, 896 F. Supp. 904, 910-11 (E.D. Ark. 1995); *Sailor Music v. IML Corp.*, 867 F. Supp. 565, 570 (E.D. Mich. 1994); *Jobete Music Co., Inc. v. Hampton*, 864 F. Supp. 7, 9 (S.D. Miss. 1994); *Unicity Music, Inc. v. Omni Communications, Inc.*, 844 F. Supp. 504, 510 (E.D. Ark. 1994); *Schmidt v. Holy Cross Cemetery, Inc.*, 840 F. Supp. 829, 835 (D. Kans. 1993); *Tempo Music, Inc. v. Christensen Food & Mercantile, Co.*, 806 F. Supp. 816, 819 (D. Minn. 1992); *Blendingwell Music, Inc. v. Moor-Law, Inc.*, 612 F. Supp. 474, 486 (D.Del. 1985);

(6) whether the defendant has cooperated in providing particular records from which to assess the value of the infringing material produced; *RSO Records, Inc. v. Peri*, 596 F. Supp. 849, 862 (S.D.N.Y. 1984);

(7) the potential for discouraging the particular defendant from future infringement; *Sunrise Mold Co.*, 569 F. Supp. at 1481;

(8) the difficulty or impossibility of proving actual damages; *Chi-Boy Music v. Charlie*

Club, Inc., 930 F.2d 1124, 1229 (7th Cir. 1991); *F.E.L. Publications v. Catholic Bishop of Chicago*, 754 F.2d 216, 219 (7th Cir. 1985), *cert. denied*, 474 U.S. 824 (1985);

(9) the circumstances of the infringement; *Chi-Boy Music*, 930 F.2d at 1229 *F.E.L. Publications*, 754 F.2d at 219;

(10) "the attitude and conduct of the parties;" *Warner Bros. Inc. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1126 (2d Cir. 1989);

(11) continued infringement; *Milene Music, Inc.*, 551 F. Supp. at 1296;

(12) and, the strong public interest in ensuring the integrity of the copyright laws; *Original Appalachian Artworks, Inc. v. J.F. Reichert, Inc.*, 658 F. Supp. 458, 465 (E.D. Penn. 1987).

In at least one case, a District Court relied on its perception that the infringers "went to great lengths to hide their infringement from this Court" as a ground for granting the maximum damages available under § 504(c). *Odegard, Inc. v. Costikyan Classic Carpets, Inc.*, 963 F. Supp. 1328, 1341 (S.D.N.Y. 1997). In another, the Court of Appeals affirmed a minimal award where the District Court found that the copyright owner had been itself guilty of abusive litigation tactics. *Dae Rim Trading, Inc.*, 877 F.2d at 1125. In still another, a District Court held that its own belief in the especially high public news value of the work infringed mandated a larger award. *Reuters Television Int'l, Ltd.*, 942 F. Supp. at 1283.

The federal courts have over time in some areas evolved rules to exercise their discretion in specific classes

of cases. For example, the District Court in *Broadcast Music, Inc. v. De Gallo, Inc.*, 872 F. Supp. 167, 169 (D.N.J. 1995), wrote:

It appears that, in the narrow class of cases dealing with willful, unauthorized, musical performances in public establishments, the damages awards range from two times the licensing fee to five times the licensing fee. See *Chi-Boy Music v. Charlie Club, Inc.*, 930 F.2d 1224, 1227 (7th Cir. 1991) (three times the license fee); *Morley Music Co. v. Cafe Continental, Inc.*, 777 F. Supp. 1579 (S.D. Fla. 1991) (three times the license fee); *Fermata Int'l Melodies, Inc. v. Champions Golf Club, Inc.*, 712 F. Supp. 1257, 1264 (S.D. Tex. 1989) (three times the license fee), *aff'd*, 915 F.2d 1567 (5th Cir. 1990); *Rilting Music v. Speakeasy Enters., Inc.*, 706 F. Supp. 550, 557-58 (S.D. Ohio 1988) (slightly less than two times the license fee); *Golden Torch Music Corp. v. Pier III Cafe, Inc.*, 684 F. Supp. 772, 774 (D. Conn. 1988) (five times the license fee); *Music City Music v. Alfa Foods, Ltd.*, 616 F. Supp. 1001 (E.D. Va. 1985) (slightly more than two times the license fee). This list of cases does not constitute an exhaustive survey of performance infringement cases nationwide, but it does establish a rough baseline for what the other courts have done.

The evolution of such disparate factors, each of which is grounded in some specific policy favored by copyright law or judicially perceived public interest, is a consequence of the anomaly that statutory damages present. Both under the prior and present Copyright Acts, the premise for statutory damages is that there is or will be no evidence⁴ to assist the court in fixing damages or profits wrongfully gained. The court must improvise to find a number which is, in the exercise of that court's almost unlimited and unreviewable discretion, "just" or "fair." We have found no precedent at common law for a jury to assess damages within a given range of maximums and minimums, where there is no evidence of actual damages.

Certainly, the federal courts which have awarded statutory damages have not conceived them to be subject to calculation in any way that is consistent with any common law concept of damages. To hold that statutory damages are in fact a common law remedy would mean that almost ninety years of practice in federal courts has been wrong and inconsistent with Congress' intentions as to how the Copyright Acts were to be enforced.

⁴ Under § 29 of the 1909 Act, the Court was required to grant statutory damages where there was a failure of proof of damages or profits by the copyright holder whose work was infringed. *Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202, 206-07 (1931). Under the 1976 Act, such statutory damages are available for the asking in the absence of any effort at proof. 17 U.S.C. § 504(c)(1).

B. The Legislative History Of The 1909 And 1976 Acts Indicates That Statutory Damages Were Not Intended To Be A Common Law Remedy.

The legislative history of § 25(b) of the 1909 Act is instructive, but not decisive as to the nature of statutory damages.

A member of the American Bar Association Committee on Copyrights, Robert H. Parkinson, took the view that the provision for statutory damages, ultimately recommended and enacted as § 25(b) of the 1909 Act, was a remedy unknown at common law.

The clause that extends the right to cover (sic) damages where there are damages I think is entirely proper. That which gives the right of accounting of creditors, also. But you have gone away beyond that, away beyond any common-law right or remedy that has ever been given in a statute before. You have provided for what the statute says shall not be called penalties, but what amount to penalties to be given in the discretion of the court, so, where no damages can be proved and no profits can be proved, considerable recoveries can be had.⁵

⁵ 5 E. Fulton Brylawski and Abe Goldman, eds., *Legislative History of the 1909 Copyright Act*, Part L at 31 (1976). The testimony was given at a hearing before the Copyright Subcommittee of the Committee on Patents of the House of Representatives on January

(continued...)

Although the chair of that ABA Committee, Arthur Steuart, squabbled with Mr. Parkinson over the Committee's views, neither he nor anyone else before or after, took issue with Mr. Parkinson as to the uniqueness of the remedy Congress fashioned in § 25(b).⁶

The record before the 1909 Congress with respect to the nature of statutory damages as enacted by § 25(b) is otherwise sparse. The words "liquidated damages" are used by Mr. Steuart and other individual lawyers to describe the proposed section, but that characterization is in contrast to "penalties;" there was considerable conflict among the lawyers as to how the damages would be assessed.⁷

Whatever the intention of the drafters of the 1909 Act, there is no doubt that by the time § 504(c) was enacted in 1976, the courts had repeatedly held that the determination of the amount of statutory damages was a matter requiring the exercise of broad discretion as described *supra* in Part II.B. Congress' reenactment in the 1976 Act of the substance of the statutory damages provision, § 25(b) of the 1909 Act, should be viewed in light of the existing decisions. See *Educational Testing Servs. v. Katzman*, 670 F. Supp. 1237, 1240-41 (D.N.J. 1987). As this Court wrote in a similar context

(...continued)

20, 1909. *Id.* The subject of the session was "Common Law Rights as Applied to Copyright." *Id.*

⁶ *Id.* at 25-26.

⁷ E.g., 3 E. Fulton Brylawski and Abe Goldman, eds., *Legislative History of the 1909 Copyright Act*, Part E at 16, 229-44 (1976); 4 E. Fulton Brylawski and Abe Goldman, eds., *Legislative History of the 1909 Copyright Act*, Part H at 177 (1976); 5 E. Fulton Brylawski and Abe Goldman, eds., *Legislative History of the 1909 Copyright Act*, Part K at 153-54.

dealing with rights created under the Seventh Amendment: "So too, where, as here, Congress adopts a new law incorporating sections of a prior law, Congress normally can be presumed to have had knowledge of the interpretation given to the incorporated law, at least insofar as it affects the new statute." *Lorillard v. Pons*, 434 U.S. at 581.

Congress also presumably was aware and approved of the nature of statutory damages as they had evolved in the 67 years after enactment as § 25(b) of the 1909 Act. When Congress enacted 17 U.S.C. § 504(c) in 1976, it is to be presumed that it was aware of the extraordinary discretion involved and the unusual nature of the factors used calculating statutory damages.⁸

C. Statutory Damages Are Not "Liquidated Damages" Or Any Other Common Law Remedy.

Some courts have held that statutory damages are a form of liquidated damages and therefore justify the right to a jury trial. *E.g.*, *Calderon v. Witvoet*, 999 F.2d 1101, 1109 (7th Cir. 1993) (citing *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1014-17 (7th Cir. 1991)) (stating, with regard to statutory damages, "[o]ur circuit has concluded that actions seeking liquidated damages provided by statute are 'suits at common law' for constitutional purposes"). This argument that statutory damages are

⁸ Over ten years later in 1988, Congress once more addressed the remedies provided by § 504(c) when it increased the maximum and minimum which could be awarded as statutory damages. It made no other changes in the provision, presumably being otherwise satisfied with its enforcement by the courts. Pub. L. No. 100-568, § 10(b), Oct. 31, 1988, 102 Stat. 2853, 2860.

"liquidated damages" is clearly faulty. The premise of a liquidated damages provision—as opposed to what is usually considered an unenforceable penalty in contract law—is that it is, "to set damages at a specific amount in order to avoid complex factual presentations in an action . . ." *McGuire v. City of Jersey City*, 593 A.2d 309, 312 (N.J. 1991); *see, e.g.*, *CIT Group/Commercial Servs. v. Holladay-Tyler Printing Corp.*, Nos. 94 Civ. 6642 & 94 Civ. 6645 (HB), 1995 WL 702343, at *1 (S.D.N.Y. Nov. 29, 1995) (quoting 1 *Oleck, Damages to Persons and Property* § 161) ("If court action is necessary to fix the amount, the stipulation is meaningless, as it fails to achieve the only valid purpose of liquidated damages."); *Massachusetts Indem. & Life Ins. Co. v. Dresser*, 306 A.2d 213, 216 (Md. 1973) (A provision for liquidated damages "must provide 'in clear and unambiguous terms' for 'a certain sum.'" (quoting *Siler v. Marshall*, 247 A.2d 385, 387-88 (Md. 1968)); *Jarro Bldg. Indus. v. Schwartz*, 281 N.Y.S.2d 420, 426 (2d Dep't 1967) (To be upheld, liquidated damages clauses must specify an amount either in absolute dollars or in some manner that obviates court involvement.). This should be contrasted with the substantial discretion involved in choosing appropriate statutory damages. *See* Part II.B.

Notwithstanding the disclaimer in § 25(b) of the 1909 Act that statutory damages "shall not be regarded as a penalty" (a disclaimer deleted by Congress from § 504(c) of the 1976 Act), statutory damages are closer in form to civil penalties under legislation such as the Clean Water Act which this Court confronted in *Tull v. United States*, *supra*, 481 U.S. 412. In *Tull*, as we have seen, the Court held that civil penalties under such statutes are not within the Seventh Amendment's requirement of a jury trial. *Id.* at 427; *see supra* Part I. The singular difference between statutory damages and such civil penalties is that the former are paid to the private citizen whose rights have been transgressed, rather than, as in the case of the latter, the government. It is not apparent why who receives the proceeds of that type of

judgment should make a difference for purposes of whether the amount thereof must be calculated by a jury as opposed to a judge.

Certainly, the mere fact that the drafters of § 25(b) of the 1909 Act, for whatever reasons, characterized statutory damages as something other than a penalty, should not affect analysis of their true nature. Such a characterization should be no more efficacious one way or another than a disclaimer in an ordinary contract that a purported clause fixing "liquidated damages" is not a "penalty." Characterizations of this type are manifestly irrelevant for the purpose of judicial inquiry as to the true nature of the provisions so described. See e.g., III E. Allen Farnsworth, *Farnsworth on Contracts*, § 12.18 (1990).

Whatever characterizations are applied to statutory damages, they are each subject to Bishop Butler's well known observation that: "Everything is what it is and not another thing." Statutory damages, as enacted by Congress in 1909 and 1976, were neither penalty or liquidated damages, nor were they any other remedy previously known to the common law. They were a new construct: As statutory damages under § 504(c) evolved through decisions of this and other courts, they were a remedy peculiar to the modern law of copyright.⁹ Statutory damages certainly have no counterpart in the common law of 18th century England, and are sufficiently different to make them free from the restrictions of the Seventh Amendment.

⁹ In 1996, as part of the Anti-Counterfeiting Consumer Protection Act Congress provided statutory damages under the Lanham Act, 17 U.S.C. § 1117. The legislative history contains no details about the amendment other than its enactment. See 104th Cong., 2d Sess., H.R. 104-556.

D. Statutory Damages Should Not Be Fixed By A Jury.

Juries should not readily be assigned the power to fix statutory damages. There is a vast amount of unreviewable discretion involved in assessing damages between \$500 and \$20,000 for each infringement. Further, absence of proof as to actual damages sustained by the copyright owner or profits illicitly obtained by the infringer exacerbates the subjectivity of the determination of the amount of statutory damages. Permitting a jury to fix statutory damages may create excessive danger to those unpopular defendants who are charged with copyright infringement. This will be particularly true if the copyright owner can allege the existence of multiple infringements, as in the case presently before this Court. They could also create danger for an unpopular copyright owner who nevertheless properly seeks vindication of his or her property rights. No one interested in and supportive of copyright law would favor either such a draconian development.

Assigning the responsibility of fixing statutory damages to juries would also create a continuing danger of lack of uniformity in awards made by juries in different parts of the nation. We can readily anticipate that, given the broad range of factors to be considered in awarding statutory damages, jurors will vary widely in their perceptions of what amounts should be assessed against infringers. Such a lack of uniformity would be particularly troublesome in the enforcement of a national statute such as the Copyright Act.

CONCLUSION

Statutory damages are a unique remedy jointly fashioned by the federal courts and Congress. They bear little resemblance to any form of damages under the common law. Certainly, there is no precedent for any analogous remedy un-

der the common law as it existed in England in the 18th century.

The use of juries in assessing damages under 17 U.S.C. § 504(c) would also be unsound judicial policy, creating risks of inappropriate, virtually unreviewable damage awards and a lack of uniformity in the enforcement of the nation's copyright law.

The disposition of the United States Court of Appeals for the Ninth Circuit should be affirmed and the Respondent's judgment affirmed.

Dated: December 15, 1997

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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,
Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals
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BRIEF OF THE INTERNATIONAL
ANTICOUNTERFEITING COALITION, INC.
AS *AMICUS CURIAE*
IN SUPPORT OF RESPONDENT

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No. 96-1768

In the Supreme Court

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United States

October Term, 1997

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v.

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Respondent.

**On Writ of Certiorari to the
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for the Ninth Circuit**

**BRIEF OF THE INTERNATIONAL
ANTICOUNTERFEITING COALITION
AS *AMICUS CURIAE*
IN SUPPORT OF RESPONDENT**

THE INTEREST OF *AMICUS CURIAE*

The *amicus curiae*, the International AntiCounterfeiting Coalition, Inc. (IACC)¹ is the largest multinational organization representing exclusively the interests of companies concerned with copyright and trademark piracy and counterfeiting. Counsel for both Petitioner and Respondent have consented in writing to the filing of this brief. The IACC is

¹ Pursuant to Supreme Court Rule 37.6, counsel states that counsel for the IACC listed herein authored this brief in whole. No person or entity, other than the *amicus curiae*, its members, and its counsel made a monetary contribution to the preparation or submission of this brief.

comprised of a cross section of United States industry, including manufacturers of automobiles, apparel, food, pharmaceuticals, children's toys, books, software, motion picture videotapes, and audio recordings. The combined annual sales of IACC members exceed \$500 billion, and account for more than ten percent (10%) of the annual United States Gross National Product. The IACC currently has more than 180 members which include Fortune 500 companies, law firms, and business trade associations, all of whom share the common goal of protecting the rights of copyright and trademark holders.² Critical to the IACC's purpose is the belief that acts of copyright counterfeiting and piracy can, and do, create severe public health risks and safety hazards, as well as economic harm.

²The manufacturing members of the IACC are Abbott Laboratories, Ross Products Division; Adidas America; Bausch & Lomb; Calvin Klein Jeanswear Company; Calvin Klein, Inc.; Cartier International, Inc.; Champion Products Inc.; Chanel, Inc.; Chrysler Corporation; Coach; Cobra Golf Incorporated; Compar, Inc.; Computer Associates International, Inc.; Dooney & Bourke, Inc.; Dr. Seuss Enterprises, Inc.; Encyclopaedia Britannica, Inc.; Estee Lauder, Inc.; Fila USA, Inc.; General Motors Corporation; Gucci America, Inc.; Guess?, Inc.; Hard Rock Cafe International; IBM Corporation; Levi Strauss & Co.; Louis Vuitton Malletier; Lucasfilm Ltd.; Lyrick Studios; Majorica, S.A.; Merck & Co., Inc.; Microsoft Corporation; MTV Networks; Nautica Apparel, Inc.; NBA Properties; Nexxus Products Co.; Nike, Inc.; No Fear, Inc.; Novell, Inc.; Oakley, Inc.; Octane Boost Corporation; Philip Morris International; Polo Ralph Lauren Corporation; Rolex Watch U.S.A., Inc.; Saban Entertainment, Inc.; SMH (US) Inc.; Southern Audio Services; Taylor Made Golf Company, Inc.; The Collegiate Licensing Company; The Donna Karan Company; The Gillette Company; The H.D. Lee Company, Inc.; The Hearst Corporation; The Limited; The Timberland Company; The Walt Disney Company; Tommy Hilfiger Licensing, Inc.; Tri-Equity USA, Inc.; Underwriters Laboratories, Inc.; Universal Studios Inc.; VF Corporation; Warner Bros.; and Warner-Lambert Company.

SUMMARY OF ARGUMENT

Congress intended that statutory damages under section 504(c) of the Copyright Act of 1976 were to be determined by the judge, and section 504(c) is constitutional because statutory damages are equitable in nature. Congress has recognized that copyright and trademark infringement eliminates United States jobs, poses health and safety threats to United States consumers, is a multibillion-dollar drain on the United States economy, and has been connected with organized crime. Moreover, copyright owners are often frustrated in their ability to establish actual damages. Counterfeiters' records are frequently nonexistent, inadequate, or deceptively kept in order to deflate the level of counterfeiting activity. Because of these concerns, Congress has looked to the equitable powers of the judiciary. Statutory damages are to be determined by the judge in his or her discretion. Because this remedy is equitable, the defendant has no Seventh Amendment right to a jury trial on this issue.

ARGUMENT

I. Under the Plain Meaning of Section 504(c), Congress Has Placed the Award of Statutory Damages for Copyright Infringement Within the Discretion of the Trial Judge.

The first step in reviewing acts of Congress is made according to the "cardinal principle that this Court will first ascertain whether a construction of the statute is fairly possible by which the [Constitutional] question may be avoided." *Curtis v. Loether*, 415 U.S. 189, 192 n.6 (1974); *United States v. Tull*, 481 U.S. 412, 417 n.3 (1987). The first issue, therefore, is whether it is "fairly possible" to construe the Copyright Act to permit jury trials in cases where the copyright owner seeks statutory damages under 17 U.S.C. § 504(c).

Of course, it is axiomatic that statutory construction begins with the language of the statute. *See, e.g., Bailey v. United States*, 516 U.S. 137, 140 (1995). "Our first step in interpreting a statute is to determine whether the language at issue has a plain and unambiguous meaning with regard to the particular dispute in the case. Our inquiry must cease if the statutory language is unambiguous and 'the statutory scheme is coherent and consistent.'" *Robinson v. Shell Oil Company*, 117 S. Ct. 843, 846 (1997) (quoting *United States v. Ron Pair Enterprises, Inc.*, 489 U.S. 235, 240 (1989)). "We have stated time and again that courts must presume that a legislature says in a statute what it means and means in a statute what it says there." *Connecticut Nat'l Bank v. Germain*, 503 U.S. 249, 253-54 (1992). The answer to the question before this Court begins with an examination of the language contained in the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.*

Section 504(c)(1) of the Copyright Act of 1976 states in relevant part:

Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages . . . in a sum of not less than \$500 or more than \$20,000 as the court considers just.³

³Section 504(c)(2) provides for discretionary enhancements or reductions in these statutory damages as follows:

In a case where a copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than \$100,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its

Feltner argues that the use of the term "court" in section 504(c) was meant to encompass both judge and jury. This reading of section 504(c) is simply untenable in light of (1) the context of section 504(c); (2) the use of the term "court" to mean judge throughout the Copyright Act; and (3) Congress' recent enactment of the Anticounterfeiting Consumer Protection Act of 1996, Pub. L. No. 104-153, 110 Stat. 1386 (1996) (the "ACPA").

The use of the word "court" in section 504(c) must be analyzed in the context as it was used by Congress. "Language, of course, cannot be interpreted apart from context. The meaning of a word that appears ambiguous if viewed in isolation may become clear when the word is analyzed in light of the terms that surround it." *Smith v. United States*, 508 U.S. 223, 229 (1993); *see also, Robinson v. Shell Oil Co.*, 117 S. Ct. at 846. The phrase "as the court considers just" requires the "court" to use its discretion in setting the statutory amount. *See, H.R. Rep. No. 1476, 94th Cong., 2d. Sess. 162 (1976); see also, Andrew. W. Stumpff, The Availability of Jury Trials in Copyright Infringement Cases: Limiting the Scope of the Seventh Amendment*, 83 Mich. L. Rev. 1950, 1954 (1985) (hereinafter "Stumpff"). This use of the word "court" in connection with the discretionary language of section 504(c) leads to the inescapable conclusion that in the context of the Copyright Act, "court" means judge.

This conclusion is further buttressed by viewing section 504(c) in the context of the entire Copyright Act. For

example, the term "court" is also used in section 502 of the Copyright Act, which provides:

Any court having jurisdiction of a civil action arising under this title may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.

17 U.S.C. § 502(a). "It is reasonably clear, based on pre-merger doctrines, that a plaintiff seeking only remedies determined by the judge — e.g., injunction . . . — is not entitled to trial by jury. That conclusion applies to the copyright sphere as to all others." 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.10[B], at 12-155 (1997). If a copyright owner brings suit under the Copyright Act seeking injunctive relief against an alleged infringer, the case must be heard by the judge and not a jury. Injunctions are equitable remedies which are subject to the discretion of the judge. See *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311 (1982) (discussing a federal judge's wide discretion in granting injunctive relief under the Federal Water Pollution Control Act). Thus, in the context of 17 U.S.C. § 502, "court" means "judge."

Indeed, a review of the other remedy sections of the Copyright Act, contained in Chapter 5, further demonstrates that in the context of the Copyright Act, "court" means "judge." Section 503 authorizes the "court" to use its discretion to impound infringing copies. 17 U.S.C. § 503. Pursuant to section 505, the "court" is authorized to use its discretion to grant attorneys' fees and costs, 17 U.S.C. § 505, an area where this Court has noted that judges have wide "equitable discretion." *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994). Section 506(b) requires the "court in its judgment of conviction" to "order the forfeiture and destruction or other disposition of all infringing copies." 17 U.S.C. § 506(b) (emphasis added). Finally, section 510(b) authorizes the "court" to "decree that . . . the cable

system shall be deprived of the benefit of a compulsory license." 17 U.S.C. § 510(b) (emphasis added).⁴

A comparison of the language included in section 504(b), which provides for recovery of actual damages, with the language included in section 504(c) (and the corresponding language included in the other sections in Chapter 5 of the Copyright Act discussed above), is also instructive. Congress did not use the term "court" in § 504(b). Rather, section 504(b) provides, in relevant part that "[T]he copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement." 17 U.S.C. § 504(b). "[I]t is beyond dispute that a plaintiff who seeks to recover actual damages is entitled to a jury trial." 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.10[B], at 12-155. This section is to be contrasted with the alternative statutory damages provision at issue before this Court, 17 U.S.C. § 504(c), wherein Congress used the term "court." This difference within section 504 is certainly instructive. The use of the word "court" in the context of Chapter 5 of the Copyright Act and indeed in the entire Copyright Act, leads to the inescapable conclusion that "court" means "judge."

That the word "court" means "judge" as used in 17 U.S.C. § 504(c) is solidified by an examination of the analogous statute, the Anticounterfeiting Consumer Protection Act of 1996. In 1996, when presented with the difficulties copyright owners (including IACC members) face in combating counterfeiting, Congress enacted the ACPA. In Section 2 of the ACPA, Congress described the problems faced by IACC members in dealing with counterfeiters and

⁴Section 508(b), which is not clearly a "remedy" section, uses the term "court" to mean "judge" in that it requires the clerk to provide the Register of Copyrights with the "written opinion, if any, of the court." 17 U.S.C. § 508(b).

the impact of counterfeiting on consumer safety and health and on the United States economy:

The counterfeiting of trademarked and copyrighted merchandise

- (1) has been connected with organized crime;
- (2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;
- (3) poses health and safety threats to United States consumers;
- (4) eliminates United States jobs; and
- (5) is a multibillion-dollar drain on the United States economy.

ACPA § 2. *See also*, H.R. Rep. No. 556, 104th Cong., 2d Sess., §7, at 1-4 (1996), *reprinted* in 1996 U.S.C.C.A.N. 1074. Congress "estimated that businesses in the United States lose more than \$200 billion a year today because of illegal counterfeiting." H.R. Rep. No. 556. Congress noted that the United States computer software industry estimates that "sales of counterfeit software exceeded 40% of the industry's total revenues — that is, for every five programs legitimately sold, two illegally pirated copies are also sold." *Id.* As the ACPA states: "Existing Federal law is not adequate to protect consumers and American businesses from the crime of counterfeiting copyrighted and trademarked products." S. Rep. No. 177, 104th Cong., Pt. I (1995). One of the revisions included in the Anti-counterfeiting Consumer Protection Act of 1996 was the amendment of section 35 of the Lanham Act to allow

statutory damages. Thus, section 35, codified at 15 U.S.C. § 1117(c) states:

(c) In a case involving the use of a counterfeit mark . . . , the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages . . . in the amount of —

- (1) not less than \$500 or more than \$100,000 . . . as the court considers just

15 U.S.C. § 1117(c).⁵ In describing the amendment, Congress defined the term "as the court considers just" as follows:

This section amends section 35 of the Lanham Act, allowing civil litigants the option of obtaining *discretionary, judicially imposed damages* in trademark counterfeiting cases, instead of actual damages.

S. Rep. No. 177, pt. V(7) (emphasis added); *see also*, H.R. Rep. No. 556 § 7 ("Section 7 amends § 35 of the Lanham Act to allow trademark owners to opt for *judicially determined statutory damages*, rather than actual damages and profits, in civil cases.") (emphasis added). While this amendment did not address the existing copyright statutory damages provision, it does help characterize the type of relief provided by statutory damages in the analogous sections of the Copyright Act. The explanation provided in Section 2 of the ACPA, ("The counterfeiting of trademarked and copyrighted merchandise . . . deprives legitimate trademark and copyright owners of substantial revenue and consumer goodwill. . . .") demonstrates Congress' understanding of one of the important purposes of statutory

⁵Section 1117(c)(2) permits the award to be increased to \$1,000,000 for willful violations. 15 U.S.C. §1117(c)(2).

damages. See Anticounterfeiting Consumer Protection Act of 1996 §2. In explaining the amendment, the Senate stated:

This section amends section 35 of the Lanham Act, allowing civil litigants the option of obtaining discretionary, judicially imposed damages in trademark counterfeiting cases, instead of actual damages. The committee recognizes that under current law, a civil litigant may not be able to prove actual damages if a sophisticated, large-scale counterfeiter has hidden or destroyed information about his counterfeiting. Moreover, counterfeiters' records are frequently nonexistent, inadequate or deceptively kept in order to willfully deflate the level of counterfeiting activity actually engaged in, making proving actual damages in cases extremely difficult if not impossible. Enabling trademark owners to elect statutory damages is both necessary and appropriate in light of the deception routinely practiced by counterfeiters.

S. Rep. No. 177, pt. V(7). Thus, Congress has made it clear that one of the purposes of statutory damages is to replace actual damages because factual support for actual damages is often difficult to prove. Congress' finding in the ACPA makes it clear that this applies to both copyright and trademark owners. Anticounterfeiting Consumer Protection Act of 1996. The equitable purpose recognized by Congress in the ACPA has been repeatedly acknowledged and affirmed by this Court and other federal courts in cases construing statutory damages under the Copyright Statute Act, March 4, 1909, c. 320, 35 Stat. 1075 ("Copyright Act of 1909") and the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* ("Copyright Act of 1976").

In support of their argument that the use of the term "court" in section 504(c) encompasses both judge and jury, Feltner relies on *Curtis v. Loether*, 415 U.S. 189, 192 (1974). As Feltner notes, the Court in *Curtis* stated that

"plausible arguments" supported both the argument that the statute at issue did not provide for jury trials and the argument that jury trials were available under the statute. *Id.* More importantly, however, the Court expressly presented no resolution to these arguments.⁶ *Id.* Rather, the Court acknowledged that the first step in right to jury trial questions is to ascertain whether construction of the statute is fairly possible to avoid the Seventh Amendment question, but stated that this test would be "futile" because the Seventh Amendment question was "so clearly settled." *Curtis*, 415 U.S. at 192 n.6. Thus, in *Curtis*, Congress' use of "court" in the statute at issue was irrelevant and not considered by the *Curtis* court.

Similarly, Feltner's reliance on *Lorillard v. Pons*, 434 U.S. 575 (1978), is misplaced. In *Lorillard*, the statute at issue, 29 U.S.C. § 626(b), provided that "the court shall have jurisdiction to grant such legal or equitable relief as may be appropriate." *Lorillard*, 434 U.S. at 579 n.5. In finding that there was a right to a jury trial, the Court relied on the use of the term "legal" to describe the relief available under the statute. *Id.* at 583. It is indisputable that legal relief is the province of juries. *Id.* The use of the term "legal" in 29 U.S.C. § 626(b) made it clear that the term "court" clearly encompassed juries in the context of that statute. This is nothing more than an affirmation that words must be examined in their context. See, *Smith v. United States*, 508 U.S. at 229; *Robinson v. Shell Oil Co.*, 117 S. Ct. at 846. There is nothing in the context of 17 U.S.C. § 504(b) or the Copyright Act which shows that "court" encompasses juries. On the contrary, as set forth above, the

⁶ As this Court stated: "We see no point in giving extended consideration to these arguments, however, for we think it is clear that the Seventh Amendment entitles either party to demand a jury trial in an action for damages in the federal court under § 812." *Curtis*, 415 U.S. at 192.

context of "court" as used in section 504(c) demonstrates that the Copyright Act's use of the word "court" means judge.

Thus, analyzing the Copyright Act's remedy scheme, it is not fairly possible to construe the Copyright Act to permit jury trials on claims for statutory damages. Rather, it is clear that the term "court" refers to the federal judge and his or her equitable powers over injunctions and statutory damages.

II. The Award of Statutory Damages Is Equitable in Nature, Thus the Seventh Amendment Does Not Preserve the Right to A Jury Trial in the Awarding of Section 504(c) (1) Statutory Damages.

Congress intended that the court, meaning the judge, exercise flexible judicial discretion in assessing statutory damages under the Copyright Act. However, the question remains whether the Seventh Amendment preserves the right to a jury trial in an action for statutory damages, even though Congress has not permitted jury trials. Because copyright statutory damages are equitable in nature, Congress acted within its authority in requiring that statutory damages be awarded by the judge.

A. Seventh Amendment Standard

The Seventh Amendment provides that "[i]n Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." U.S. Const. amend VII. This Court has construed this language to mean that a jury trial is guaranteed only in those actions that are analogous to "Suits at common law." *Tull*, 481 U.S. at 417. In other words, prior to the adoption of the Seventh Amendment, a jury trial was customary only in suits brought in "English law courts." *Id.*

The right to a jury trial is not unlimited. This Court has recognized that cases traditionally tried in England's courts of equity or admiralty do not require a jury trial. *Parsons v. Bedford*, 3 Pet. 433, 446-447 (1830). The simple reason that the Seventh Amendment does not guarantee a right to a jury trial in actions that were traditionally brought in equity is that the method of trial in equity was traditionally different than the method for suits in law. As Mr. Justice Story succinctly described, "Courts of Common Law . . . proceed to the trial of contested facts by means of a jury . . . [b]ut Courts of Equity try causes without a jury." J. Story, *Equity Jurisprudence*, § 31 at 27 (1918). The method of trial distinction between suits in law and suits in equity applies to both common-law forms of action and to statutory actions created by Congress when determining whether a right to jury is protected. *Tull*, 418 U.S. at 417; *Curtis*, 415 U.S. at 193.

In order to determine whether the Seventh Amendment preserves the right to a jury under a federal statute, this Court uses a three-part test for determining whether a particular action involves equitable or legal rights:

[T]he "legal" nature of an issue is determined by considering, first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries.

Ross v. Bernhard, 396 U.S. 531, 538 n.10 (1970). As applied in the present action, the premerger custom demonstrates that there was no precisely analogous statutory damage action prior to 1909 and that suits for injunctions and for statutory damages after 1909 were brought in equity. As to the second prong, the statutory damages scheme under the Copyright Act is equitable in nature. Finally, although this Court in *Ross* pronounced a third prong, consideration of the practical limitations of a jury trial, this prong has not been used as an independent basis for extending the right to a jury

trial under the Seventh Amendment. *See Tull*, 481 U.S. at 418 n.4 (restricting the Seventh Amendment analysis to only the first and second prongs in determining whether a statutory claim by the Federal Government seeking civil penalties and injunctive relief under the Clean Water Act is more similar to cases that were tried in courts of law than to suits tried in courts of equity).

B. Actions for Copyright Infringement Seeking Equitable Relief Were Historically Tried by the Court.

This Court's first inquiry is the comparison of the claim at issue with 18th Century actions brought in England. *Tull*, 481 U.S. at 417. Unfortunately, the comparison of modern statutory damages claims under the Copyright Act with 18th Century actions brought in England is not fruitful. *See Stumpff*, 83 Mich. L. Rev. at 1958-61. There simply were no analogous statutory damages prior to 1909. *Id.* at 1958-59. While the Copyright Act of 1909, and the Copyright Act of 1976 both provided for "in lieu" statutory damages (statutory damages as alternatives to actual damages), all prior acts had set minimum and maximum actual damages. *Id.* at 1959. Copyright infringement actions seeking statutory damages brought prior to the merger of law and equity (and after the enactment of the Copyright Act of 1909) were brought in equity. *See Broadcast Music Inc. v. Papa John's Inc.*, 201 U.S.P.Q. 302, 305 (N.D. Ind. 1979); *see also, Douglas v. Cunningham*, 294 U.S. 207 (1935); *Jewelle-LaSalle Realty Co. v. Buck*, 283 U.S. 202 (1931); *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100 (1919).

Even an attempt at the broader analysis, whether copyright claims (as opposed to copyright claims for statutory damages) were brought in equity or at law, is not helpful. *See, e.g., Brady v. Daly*, 175 U.S. 148 (1899) (discussing claims for copyright infringement of the same play brought

at law, *Id.* at 148, and in equity, *Id.* at 159); *see also Stumpff*, 83 Mich. L. Rev. at 1958. Because pre-merger copyright cases were brought in both equity, when the plaintiff sought injunctive relief and statutory damages, and in law courts, when the plaintiff sought actual damages and profits, the first prong is not dispositive.

C. The Nature of Statutory Damages Under Section 504(c)(1) Is Equitable.

As noted, copyright owners historically brought suit in both common law courts and equity courts. For statutes such as 17 U.S.C. § 504(c), where the pre-merger analysis does not provide a dispositive answer, the second prong of the *Ross* test becomes the more important factor. *See Chauffeurs, Teamsters and Helpers Local No. 391 v. Terry*, 494 U.S. 558, 570 (1990); *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 47 (1989); *Tull*, 481 U.S. at 421. Under the second part of the test, the Court considers the nature of the remedy sought to determine if it contains the attributes necessary to characterize the damages as equitable. *Chauffeurs*, 494 U.S. at 570; *see also, Ross*, 396 U.S. at 538-39.

Analysis of the nature of the remedy sought by the copyright owner requires a characterization of claims according to the remedy, rather than the subject matter or substantive rules that are involved. *See Chauffeurs*, 494 U.S. at 570; *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 477-78 (1962); *see also, Dobbs, Law of Remedies* 2d ed. § 26(3) p.156 (courts agree that the plaintiff's label on the claim does not control the status as an equitable or legal claim).

An analysis of the Copyright Act's remedial scheme, as initially adopted in the Copyright Act of 1909 and maintained in the Copyright Act of 1976, results in the inescapable conclusion that the copyright statutory damages provision enacted by Congress in the Copyright Act of 1976 is an equitable remedy. Moreover, because the Copyright

Act of 1976's statutory damages possess the attributes of equitable remedies, they are more properly characterized as equitable in nature.

1. The Copyright Act of 1909's "in lieu" Statutory Damages Scheme — Statutory Damages Are Different than Actual Damages.

The review of the nature of the Copyright Act's statutory damages provision should start with a common sense analysis of the structure of section 504 and its predecessor in the Copyright Act of 1909. Congress' decision to provide, at plaintiff's election, either actual damages (17 U.S.C. § 504(b)), or statutory damages (17 U.S.C. § 504(c)) demonstrates that the two forms of relief are different. By the terms of the statute, actual damages require evidence of injury before the trier of fact. *See* 17 U.S.C. § 504(b). On the other hand, a request for statutory damages can be completely detached from admissible evidence and rely solely on the discretion of the court (cabined by the statutorily prescribed maximum and minimum awards). Indeed, this Court has held that statutory damages are "something other than actual damages." *L.A. Westermann*, 249 U.S. at 106.

The strongest authority for the proposition that statutory damages are an equitable form of relief comes from this Court's cases construing the Copyright Act of 1909's remedial scheme. The "in lieu" statutory damages provision, as originally enacted in 1909, provided that the infringing party shall be liable

[T]o pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement . . . , or in lieu of actual damages and profits such damages as the court shall appear to be just.

Copyright Statute Act, March 4, 1909, c. 320, 35 Stat. 1075.

It is important to recognize the difficulty that copyright owners have faced in addressing copyright infringement. Although this Court has never squarely addressed the issue of a right to jury trial where injunctions and statutory damages are the only relief sought, this Court has in the past examined the purpose of copyright statutory damages.

In one of this Court's earliest considerations of "in lieu" damages under the Copyright Act of 1909, this Court recognized the equitable nature of statutory damages. *See L.A. Westermann*, 249 U.S. at 106. In examining "in lieu" damages, the *L.A. Westermann* Court noted:

The fact that these damages are to be "in lieu of actual damages" shows that something other than actual damages is intended — that another measure is to be applied in making the assessment.

L.A. Westermann, 249 U.S. at 106. In the *L.A. Westermann* decision, this Court recognized the importance of flexibility and discretion in assessing statutory damages and affirmed that the "in lieu" provision under the Copyright Act of 1909 protected something other than legal (actual) damages which were protected by the preceding provision. Statutory damages committed the amount of damages to be recovered to the court's discretion and sense of justice, not to be measured by the inflexible measuring stick of actual damages.

The discretion that Congress intended the court to use under the "in lieu" statutory damages scheme was again identified by this Court in *Douglas*. In *Douglas v. Cunningham*, 294 U.S. 207 (1935), the Supreme Court held that statutory damages are committed solely to the court. Finding that the "in lieu" damages section was adopted because

of the difficulty proving actual damages in some cases, this Court reasoned that

[T]he phraseology of the section was adopted to avoid the strictness of construction incident to a law imposing penalties, and to give the owner of a copyright some recompense for injury done him, *in a case where the rules of law render difficult or impossible proof of damages or discovery of profits*. In this respect the old law was unsatisfactory.

Id. 294 U.S. at 209 (emphasis added).⁷

The statutory damages provision of the Copyright Act of 1909 was again before this Court in *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952). The *F.W. Woolworth* Court added to the *L.A. Westermann* and *Douglas* delineation of statutory damages as follows:

Few bodies of law would be more difficult to reduce to a short and simple formula than that which determines the measure of damage recoverable for actionable wrongs. The necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of wide judicial discretion within limited amounts conferred by this statute.

Id., 344 U.S. at 232. After holding that the trial court could award a higher statutory damages award than the amount the defendant proved as gross profit from the infringement, the Court held that

[W]e think that the statute empowers the trial court in its sound exercise of judicial discretion to determine whether on all the facts a recovery upon proven profits and damages or one estimated within the statutory limits is more just.

⁷ Indeed, the *Douglas Court* went on to add that "[T]he trial judge may allow such damages as he deems to be just." *Id.* at 210.

Id., 344 U.S. at 234.

The language used in *L.A. Westermann*, *Douglas*, and *F.W. Woolworth* establishes the proposition that one of the purposes of copyright statutory damages is to provide a remedy for infringement in cases which would otherwise go without relief if actual damages could not be proven. This demonstrates that copyright statutory damages are equitable in nature because it is indisputable that one of the natures of equity is to provide a remedy for a wrongful act where otherwise a remedy would be unavailable.⁸

The mandatory nature of the "in lieu of actual damages" language lends additional support for denial of a right to jury. Once infringement is found, statutory damages guarantee plaintiff a minimum award absent any proof of the actual amount of pecuniary loss suffered by the plaintiff. 17 U.S.C. § 504(c). Statutory damages under the Copyright Act are awarded without reliance on proof of damages. Rather, once infringement is found, at the plaintiff's request the "court" is bound by § 504(c) to award the statutory minimum of \$500 per infringement, or \$200 if the defendant proves innocent intent. 17 U.S.C. § 504(c). The mandatory nature of statutory damages defeats any proposition that they are intended to be the same as actual damages because they need not be based on plaintiff's loss nor defendant's gain. Indeed the proposition that Congress intended statutory damages to be different in nature than legal actual damages finds abundant support in case law. See *L.A. Westermann*, 249 U.S. at 195-96; *Brady*, 175 U.S. at 154. The fact that the Supreme Court has characterized copyright statutory damages as providing a remedy for wrongs that would otherwise go unremedied, coupled with the broad discretion authorized

⁸ See J. Story, *Equity Jurisprudence* § 7 at 9 (describing the deficiencies in legal systems which prompt the necessity of equity jurisdiction and the office of the judge to consider the administration of equity in contradistinction from a strict adherence to the mere letter of the law).

by Congress, establishes that statutory damages should be characterized as equitable.

Feltner's analysis of "in lieu" damages is untenable because it is contrary to the accepted definition of the term "in lieu." The term "in lieu" means "in the place of" or "instead of."⁹ Feltner argues that if Congress had intended that statutory damages be something other than compensatory in nature, Congress would have used language such as "in addition to" not "in lieu," because "in lieu" means to replace or to be the same thing as. However, the simple definition of "in lieu" or "instead of" is contrary to Feltner's argument. Moreover, the term "in lieu" in the context of statutory damages was defined by this Court to mean something other than compensatory damages. *L.A. Westermann*, 249 U.S. at 106.

Although there is a split, a majority of the federal circuit courts that have considered this issue support the view that statutory damages under the Copyright Act of 1976 are equitable and thus do not guarantee a right to a jury trial. See e.g., *Oboler v. Goldin*, 714 F.2d 211, 213 (2d Cir. 1983) (concluding that the determination of statutory damages is a question for the trial judge); *Twentieth Century Music Corp. v. Firth*, 645 F.2d 6, 7 (5th Cir. 1981) (determining no constitutional right to jury trial when copyright owner seeks only minimum statutory damages award); *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1177 (9th Cir. 1977) (holding that under the Copyright Act of 1909, determination of statutory damages is a question for the judge, not the jury); *Chappell & Co. v. Palermo Cafe Co.*, 249 F.2d 77, 81-82 (1st Cir. 1957) (same); see also, *Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829, 852-53 (11th Cir. 1990) (apparently adopting the Fifth Circuit's decision in

⁹Websters Collegiate Dictionary (10th Ed.)

Firth that in an equitable copyright infringement action seeking only minimum statutory damages and injunctive relief, there is no constitutional or statutory right to a jury trial). Other circuit courts have held that there is a right to jury in copyright statutory damages cases. See *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635 (8th Cir. 1996) (weighing the legal attributes of the statutory damages remedy against its equitable attributes and concluding statutory damages for copyright infringement are legal); *Gnossos Music v. Mitken, Inc.*, 653 F.2d 117 (4th Cir. 1981) (holding jury trial preserved under the Seventh Amendment).¹⁰ Professor Nimmer, in his leading copyright treatise, concludes that the "better view" is that there is no Seventh Amendment right to a jury trial in a copyright case for statutory damages because such damages are equitable. 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 14.04[C] at 14-63 (1997).

¹⁰Numerous district courts have also concluded that there is no right to jury trial in an action for copyright statutory damages under the Copyright Act of 1976; see *Broadcast Music, Inc. v. Judith Penny*, 872 F. Supp. 348 (E.D. Tex. 1994); *Broderbund Software, Inc. v. Megatronics, Inc.*, 859 F. Supp. 640 (E.D.N.Y. 1994); *Raydiola Music v. Revelation Rob, Inc.*, 729 F. Supp. 369 (D.C. Del. 1990); *PGP Music v. Davric Maine Corp.*, 623 F. Supp. 472 (D.C. Me. 1985); *Rodgers v. Eighty Four Lumber Company*, 623 F. Supp. 887 (W.D. Penn. 1985); as well as the Copyright Act of 1909, see *Papa John's*, 201 U.S.P.Q. (BNA) 302; *Cayman Music, Ltd. v. Reichenberger*, 403 F. Supp. 794 (W.D. Wis. 1975). Other district courts have concluded there is a right to jury. See *Educational Testing Services v. Katzman*, 670 F. Supp. 1237 (D.N.J. 1987); *Broadcast Music, Inc. v. Moor-Law, Inc.*, 203 U.S.P.Q. 487 (D. Del. 1978); *Chappell & Co., Inc. v. Pumpernickel Pub., Inc.*, 79 F.R.D. 528 (D. Conn. 1977) (construing The Copyright Act of 1909). Other courts have taken a slightly different approach, giving the judge sole discretion in assessing statutory damages, but preserving for the jury the question of infringement. See, e.g. *Video Views Inc. v. Studio 21 Ltd.*, 925 F.2d 1010, 1014 (7th Cir.), cert. denied, 502 U.S. 861 (1991).

2. Statutory Damages Under The Copyright Act Have The Attributes of an Equitable Remedy.

Copyright statutory damages possess the attributes of equitable remedies and are properly characterized as equitable in nature. The classic description of equitable jurisdiction comes from this Court in a case interpreting the discretion Congress provided courts in awarding injunctions under the Emergency Price Control Act of 1942:

The essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case. Flexibility rather than rigidity has distinguished it.

Hecht Co. v. Bowles, 321 U.S. 321, 329 (1944). The "necessities of a particular case" may involve any number of interests knotted in such a way that requires the fair hand of equity to untangle. Indeed, in *F.W. Woolworth*, this Court recognized the discretion required in actions for copyright infringement because liability may include "restitution of profits and reparation for injury . . . [and] discourage[ment of] wrongful conduct." *F.W. Woolworth*, 344 U.S. at 233.

In providing that the judge can make an award of statutory damages of between \$500 and \$20,000 per infringement without a finding regarding the infringer's willfulness, Congress created a statutory scheme that requires the application of significant discretion. As noted above, the assessment of statutory damages within the range provided by Congress for copyright infringement is completely discretionary. The language of section 504(c) contains no limitation as to what the judge may take into consideration in considering statutory damages. Courts have used a variety of equitable factors to define what the court should consider in assessing

statutory damages. Again, the *L.A. Westermann* Court provides guidance under the Copyright Act of 1909:

the court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like, is made the measure of the damages to be paid . . . Within these limitations the court's discretion and sense of justice are controlling . . .

L.A. Westermann, 249 U.S. at 106. Other courts have detailed the equitable considerations that are to be taken into account.¹¹ The basic distinction between law and equity is that the former is the domain of settled rules and procedures, while the latter is the consideration of what is just and right. The fact that neither Congress nor the courts have outlined strict legal rules to guide the determination of statutory damages is unmistakably indicative of equity's presence in section 504(c).

As opposed to the judge's broad discretionary powers, juries are not thought of as exercising discretion. *Papa John's*, 201 U.S.P.Q. (BNA) at 306. Instead, a jury determines issues of fact and is bound to accept and apply the rules or principles of law as instructed by the judge. B.E. Witkin, *California Procedure* § 91, at 111 (4th Ed. 1997). The greater discretion that is involved, the less likely it is that Congress would hand it to the jury. See *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 443-44 (1975)

¹¹ The Seventh Circuit concluded that in construing the amount of statutory damages, the district court *may* consider factors such as "the difficulty or impossibility of proving actual damages, . . . the circumstances of the infringement, . . . and the efficacy of the [statutory] damages as a deterrent to future copyright infringement." *F.E.L. Publications Ltd. v. Catholic Bishop of Chicago*, 754 F.2d 216, 219 (7th Cir.), cert. denied 474 U.S. 824 (1985) (emphasis added) (citing *Woolworth*, 344 U.S. at 232-33).

(Rehnquist, J., concurring). In *Albemarle Paper*, Justice Rehnquist noted that,

[T]o the extent, then, that the District Court retains substantial discretion as to whether or not to award backpay notwithstanding a finding of unlawful discrimination, the nature of the jurisdiction which the court exercises is equitable, and under our cases neither party may demand a jury trial.

Albemarle Paper, 422 U.S. at 443; *see also*, *Tull*, 481 U.S. at 427 (writing for the majority, Justice Brennan wrote that "highly discretionary calculations that take into account multiple factors . . . are the kinds of calculations traditionally performed by judges") (emphasis added). Thus, the more discretion that Congress permits the court to use within a federal statute, the more likely it is that Congress is referring to the judge's equitable powers. Because of the wide discretion included in 17 U.S.C. § 504(c), it is clear the equitable discretion must be used.

Feltner argues that an award of statutory damages under section 504(c) is compensatory in the form of monetary relief and thereby constitutes a legal remedy which invokes the Seventh Amendment's guarantee of a jury trial. However, monetary relief has often been found to be within the powers of equity. Equitable remedies which take the form of monetary relief are common under various federal statutory schemes, including the Copyright Act of 1976. *See Fogerty*, 510 U.S. at 534 (court award of reasonable attorneys' fees and costs are equitable and are determined by the judge). Indeed, even in *Curtis* where this Court held that the Seventh Amendment guarantees a jury trial in an action for statutory damages under section 812 of the Civil Rights Act of 1968, a unanimous Court cautioned that "[W]e need not, and do not, go so far as to say that any award of monetary relief must necessarily be 'legal' relief." *Curtis*, 415 U.S. at 196.

The broad discretion that Congress intended to provide trial judges in awarding statutory damages under the Copyright Act has been likened to the discretion afforded judges in the award of backpay under Title VII of the Civil Rights Act. *See Stumpff*, 83 Mich. L. Rev. at 1964. Under Title VII, "the court may . . . order such affirmative action as may be appropriate, which may include, but is not limited to, reinstatement or hiring of employees, with or without back pay . . ., or any other equitable relief as the court deems appropriate." 42 U.S.C. § 2000e-5(g) (1997). Courts interpreting the backpay provision consistently deny the right to a jury trial. *Chauffeurs*, 494 U.S. at 572 (assuming without deciding that Title VII backpay plaintiff has no right to a jury trial); *see also*, *Lorillard*, 434 U.S. at 581-582; *Lytle v. Household Mfg. Inc.*, 494 U.S. 545, 549 n.1 (1990) (assuming, without deciding, no right to jury trial). Title VII backpay cases recognize that the nature of the backpay remedy Congress authorized was restitutionary in nature and gave the court great discretion in their assessment. Indeed, Congress bestowed upon judges equitable powers under Title VII "as part of a complex legislative design directed at a historic evil of national proportions." *Albemarle*, 422 U.S. at 416.

Similarly, statutory damages under the Copyright Act require the application of equitable discretion. These equities include the connection of counterfeiting to organized crime and safety hazards and the direct loss of jobs to illicit counterfeiting. The flexibility of section 504(c) statutory damages, which permits consideration of multiple factors, balancing of the equities and concern for enforcement of the entire copyright legislation, are all characteristics that legal remedies do not possess.

CONCLUSION

For the foregoing reasons, this Court should affirm the 9th Circuit's decision.

Dated: December 12, 1997

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No. 96-1768

In The
Supreme Court of the United States
October Term, 1997

C. ELVIN FELTNER, JR.,

Petitioner,

v.

COLUMBIA PICTURES TELEVISION, INC.,

Respondent.

On Writ Of Certiorari To The United States
Court Of Appeals For The Ninth Circuit

MOTION FOR LEAVE TO FILE OUT OF TIME
AMICUS CURIAE BRIEF OF THE AMERICAN
INTELLECTUAL PROPERTY LAW ASSOCIATION
IN SUPPORT OF RESPONDENT

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**MOTION FOR LEAVE TO FILE OUT OF TIME
AMICUS CURIAE BRIEF OF THE
AMERICAN INTELLECTUAL PROPERTY LAW
ASSOCIATION IN SUPPORT OF RESPONDENT**

The American Intellectual Property Law Association ("AIPLA") respectfully requests that the Court allow it to file its Amicus Curiae Brief In Support of Respondent out of time. Mistakenly believing that Rule 29.2 applied, AIPLA's counsel in Chicago placed the brief in U.S. Postal Express Mail on December 15th. AIPLA was not aware of this Court's order that all briefs in support of the respondent in this case be filed on or before 3:00 P.M. on that day. The copy of the file obtained by AIPLA's counsel did not contain that order for some reason. Both parties had consented to the filing of this brief. The existence of the order, and the inapplicability of Rule 29.2, did not come up in conversations with counsel for the parties.

AIPLA requests that the Court excuse its filing under Rule 29.2 and accept what AIPLA believes is a concise, helpful brief.

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INTEREST OF THE *AMICUS CURIAE*

The American Intellectual Property Law Association ("AIPLA") is a national association of more than 10,000 members whose interests lie in the area of copyright, patent, trademark, trade secret, and other areas of intellectual property law. The AIPLA's members include attorneys in private practice and attorneys employed by corporations, universities, and government, and represent both owners and users of intellectual property. Unlike many other areas of practice in which separate and distinct plaintiff's and defendant's bars exist, most, if not all, intellectual property attorneys represent both intellectual property owners and alleged infringers.

The AIPLA has no stake in either of the parties to this litigation or the result of this case, other than its interest in seeking correct and consistent interpretation of the law affecting intellectual property.¹ In the hands of judges, statutory damages provide the flexibility necessary to preserve the difficult balance that copyright law strikes between rewarding creators and providing the public access to innovative and creative works. The AIPLA is convinced that judges are best-suited to exercise such discretion and will better understand the balance that copyright law promotes. The disruption of this balance would harm some of the most dynamic and important sectors of our economy. Therefore, for the reasons set forth in this brief, the AIPLA respectfully requests that this Court uphold the prior judgment in favor of Columbia Pictures.

¹ Pursuant to Rule 37.6, none of the parties or their counsel have contributed either substantively or monetarily to the preparation of this brief. Specifically, only the amicus, its members and its counsel have made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF THE ARGUMENT

The Ninth Circuit correctly held that neither section 504(c) of the Copyright Act nor the Seventh Amendment require the right to a jury trial in cases where the plaintiff claims statutory damages. Section 504(c) grants the "court" broad discretion (within a range of monetary amounts) to award statutory damages. This grant of broad discretion establishes statutory damages as an equitable remedy that judges should determine. Congress did not intend to grant a right to a jury trial and the Seventh Amendment does not require one.

A copyrighted work is a unique form of property. An infringer can take and use a copyrighted work without depriving the original owner of its use. This unique circumstance often makes it difficult to prove, by traditional measures, damages and profits. Nevertheless, infringement does deprive the owner of valuable rights granted by the Copyright Act, thereby causing economic harm. Recognizing the limitations of traditional remedies, Congress created statutory damages, granting the court broad discretion, within certain parameters, to remedy the harm caused by infringement.

Statutory damages are thus a classic equitable remedy: they allow the court discretion to step in and provide relief where traditional legal remedies would fail to do so. Such discretion lies at the heart of equity jurisdiction.

In accordance with this Court's recent decision in *Markman*, careful consideration must be given to the relative strengths of judges and juries. Judges, because of their training, experience, and function, are better able to understand the hows and whys of applying the discretion

allowed by statutory damages. The legal system typically confines juries to determining facts, and then applying the law, as it is explained to them, to the facts. Statutory damages awards are not grounded in proof of actual damages, and thus are poorly matched to the functions and abilities of juries. Judges also are better suited to fulfill the purpose underlying statutory damages. Moreover, nothing about the remedy calls for the special competencies of juries.

Since neither the statute nor the Seventh Amendment requires a right to a jury trial, the Ninth Circuit decision should be affirmed.

ARGUMENT

I. THE DISCRETIONARY AWARD OF STATUTORY DAMAGES IS ESSENTIAL TO FURTHERING THE POLICIES UNDERLYING COPYRIGHT

A copyrighted work is a unique form of property; it requires unique forms of protection, including the availability of statutory damages. It essentially is a "public good."² Because it is intangible, one can take it and use it without depriving the original owner, or others, of its use. Moreover, it normally is difficult to prevent such infringing use.

This unique nature is both boon and bane. On the one hand, creative and innovative works, and the benefits they

² Wendy J. Gordon, *Fair Use As Market Failure*, 82 Colum. L. Rev. 1600, 1610-16 (1982) (describing copyright law as an attempt to address the "public goods" problem).

provide, can be widely disseminated to the public -- the supply is virtually inexhaustible. On the other hand, because unauthorized copying or performance is so easy, creators may find it hard to secure compensation, and thus may be discouraged from creating works in the first place, or disseminating them to the public.³

The Framers of the Constitution recognized this conundrum. The Constitution therefore allows Congress to reward creators for their works, but only "for limited Times." *U.S. Const.* art. I, §8, cl. 8; *The Federalist*, No. 43 at 207 (H.C. Lodge ed. 1888). The Copyright Act does so, in part, by requiring infringers to pay damages or profits to the owner.

Because of the unique nature of copyrighted works, however, infringements often occur for which damages or profits are difficult to prove. *Douglas v. Cunningham*, 294 U.S. 207, 209 (1935). For example, a company might, for convenience, wrongly make copies of a journal article that its researchers may later need for commercial research. *See, e.g., American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994). Another infringer might wrongly perform music in its restaurant to enhance the atmosphere. *See, e.g., Broadcast Music, Inc. v. Papa John's, Inc.*, 201 U.S.P.Q. 302 (N.D. Ind. 1978). Yet another might copy a competitor's marketing materials so that it need not prepare its own. *See, e.g., Deltak, Inc. v. Advanced Sys.*, 767 F.2d 357 (7th Cir.

³ William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. Legal Studies 325 (1989) (explaining how copyright law promotes efficiency by striking a balance between incentives to creators and public dissemination).

1985). The profit, if any, gained by the infringement in these instances is almost impossible to quantify. The same is true for actual damages, because the infringer has not deprived the copyright owner of either the use of its work or of customers for its work.

Even if a copyright owner is unable to prove traditional measures of damages, an infringement nevertheless deprives the owner and the public of valuable benefits. The copyright laws give copyright owners exclusive rights to reproduce the work, to distribute it, to perform it, to display it, and to prepare derivative works based on it. 17 U.S.C. §106. "Taken together these rights reflect Congress' balanced judgment about the uses that a copyright owner must be able to prohibit in order to appropriate the value of its work through sale or licenses in the marketplace and about those uses that, in the interests of public access, must not be fettered by copyright." Paul Goldstein, *Copyright* § 1.14.2.3 at 1:51 (2d ed. 1996).

If copyright owners were deprived of these exclusive rights merely because they could not prove traditional damages, the purposes of copyright law would be frustrated. The scientific journal author and the composer may choose not to benefit society with their work. A business, like the one in *Deltak*, authoring marketing materials may not bother to take this innovative, competitive action if its competitor can just appropriate its work.

To avoid such outcomes, Congress created the remedy of statutory damages. *Douglas v. Cunningham*, 294 U.S. at 209. "The necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of the wide judicial discretion within limited amounts conferred by this statute." *F.W. Woolworth Co. v.*

Contemporary Arts, Inc., 344 U.S. 228, 232 (1952). Statutory damages thus play an essential role in ensuring the effectiveness of the copyright laws.

II. CONGRESS GRANTED "THE COURT" BROAD DISCRETION TO DETERMINE STATUTORY DAMAGES, THUS CREATING AN EQUITABLE REMEDY

The discretionary nature of the statutory damages remedy is the key to both the Seventh Amendment and statutory interpretation questions presented here.⁴ The nature

⁴ *Ross v. Bernhard*, 396 U.S. 531, 538 n.10 (1970), set forth three factors for analyzing the Seventh Amendment issue: "[F]irst, the pre-merger [of law and equity] custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries." This brief addresses in detail the second and third prongs of the *Ross* test. Several courts and commentators have found analysis of the first prong unhelpful to deciding the instant issue. See, e.g., *Educational Testing Services v. Katzman*, 670 F. Supp. 1237, 1242 (D.N.J. 1987) (finding a right to a jury, but noting "the word 'custom' applied here would be somewhat misleading"); *Papa John's, Inc.*, 201 U.S.P.Q. at 304-05 (finding no right to a jury, and finding the pre-merger custom "unclear"); Andrew W. Stumpf, Note, *The Availability of Jury Trials in Copyright Infringement Cases*, 83 Mich. L. Rev. 1950, 1958 (1985) ("historical analysis fails to yield a definitive answer"). As these authorities describe in detail, the history is not clear. Before 1909, statutory damages did not exist. The closest that the copyright law came was liquidated damages--specified amounts, awarded through mechanistic formulas. The lack of discretion inherent in this

of the remedy--equitable or legal--normally determines the right to a jury trial under the Seventh Amendment. *Wooddell v. International Brotherhood of Elec. Workers*, 502 U.S. 93, 97 (1991). Such is the case here, where the broad discretion allowed to do justice, and the remedy's restitutionary nature demonstrate that it is equitable.

A. By Granting Broad Discretion To "The Court," Congress Provided That Judges Should Determine Statutory Damages

The greater the discretion granted by a statute, the less likely it is that Congress intended to give it to the jury. See *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 443 (1975) (Rehnquist, J. concurring).

In this instance, the court's discretion is extremely broad. "[T]he employment of [statutory damages], within set limits, is committed solely to the court which hears the case, and this fact takes the matter out of the ordinary rule with respect to abuse of discretion." *Douglas v. Cunningham*, 294 U.S. 207, 210 (1935); see also, *Broadcast Music, Inc. v. Star Amusements, Inc.*, 44 F.3d 485, 487 (7th Cir. 1995) (under current Act "the standard for reviewing an award of statutory damages within the allowed range is even more deferential than abuse of discretion"). Moreover, the award need not follow "as a matter of course from a finding of wrongdoing," *Albemarle Paper Co.*, 422 U.S. at 443 (Rehnquist, J. concurring), as it is not based on proof of actual damages.

remedy defeats any analogy to modern statutory damages. After the 1909 Copyright Act, and prior to the merger of law and equity, whatever "custom," if any, emerged is unclear.

Congress thus indicated its intent that statutory damages claims be tried by judges. *Id.*

The use of the word "court" in sections 504(c)(1) and 504(c)(2) in combination with this broad grant of discretion confirms that Congress intended a judge to hear the case. "The words 'court' and 'judge' or 'judges,' are frequently used in statutes as synonymous. When used with reference to orders made by the court or judges, they are to be so understood." *Black's Law Dictionary* 318 (5th Ed. 1979). The preeminent treatise, *Nimmer on Copyright*, describes this interpretation as the "better view." Melville B. Nimmer & David Nimmer, 4 *Nimmer on Copyright* §14.04[c] at 14-63 (1997). As Nimmer further notes, this reading should apply to both Sections 504(c)(1) (ordinary statutory damages) and 504(c)(2) (willful statutory damages), as they both use the word "court" and both grant broad discretion. *Id.*

Elsewhere in the Copyright Act, Congress used "court" to mean judge and did not use it where a jury was required. The actual damages provision, clearly a jury claim, does not use the term "court." 17 U.S.C. § 504(b). The attorneys fees and costs provision, clearly a judicial determination, does contain the term "court." 17 U.S.C. § 505.⁵

⁵ *Curtis v. Loether*, 415 U.S. 189 (1974), is often cited in this context for the proposition that "court" does not always mean judge. In that case, section 812 of the Civil Rights Act used "court" as a catch-all term, stating "The court may grant as relief, as it deems appropriate, any permanent or temporary injunction, temporary restraining order, or other order, and may award to the plaintiff actual damages and not more than \$1000 punitive damages, together with court costs and reasonable attorneys fees" This provision, misdescribed

B. Statutory Damages Are An Equitable Remedy, and Thus Should Be Decided By a Judge

1. Discretion Is At The Heart Of Equity

"Equity eschews mechanical rules . . . [and] depends on flexibility." *Holmberg v. Armbricht*, 327 U.S. 392, 396 (1946). Discretion has been described as the essence of equity. Dan B. Dobbs, *Handbook on the Law of Remedies* § 2.1 at 28 (1973).

As discussed above, the discretion granted by this statute is very wide--so wide that appellate review occurs under a standard more deferential than abuse of discretion. *Douglas*, 294 U.S. at 210; *Star Amusements*, 44 F.3d at 487. Since statutory damages are not, and cannot be, firmly grounded in actual proof of damages, their very nature requires that the trial court have wide latitude in determining them.

The wide latitude given to the court to determine statutory damages is at odds with all that characterizes a legal

as "similar to the one at bar," *Educational Testing Services v. Katzman*, 670 F. Supp. 1237, 1239 (D.N.J. 1987), simply uses "court" as the subject in a provision listing both relief that clearly must be awarded by a judge and relief that clearly must be awarded by a jury. The *Curtis* Court did not address the meaning of the word "court," but rather determined that an actual damages award necessitates a jury trial. There is no dispute here that actual damages in copyright cases require a jury trial.

remedy. For example, the plaintiff in a copyright case is required to prove the fact of *legal* damages with reasonable certainty.⁶ "The distinguishing characteristics of legal remedies are their uniformity, their unchangeableness or fixedness, their lack of adaptation to circumstances, and the technical rules which govern their use." John N. Pomeroy, *A Treatise on Equity Jurisprudence* § 109 (4th ed. 1918). One cannot so describe statutory damages, as they are neither grounded in specific facts nor guided by legal rules that dictate an outcome based on the facts found.

The discretionary weighing and balancing of the parties' interests inherent in statutory damages is also typical of equitable remedies. See *Leo v. Sims*, 930 P.2d 153, 163 (New Mex. 1996) (partition is by nature an equitable remedy because it allows balancing of interests instead of application of "rigid formulae"). "[S]ince all or almost all equitable remedies are discretionary, the balancing of equities and hardships is appropriate in almost any case as a guide to the chancellor's discretion." Dobbs, *Remedies* at 52.

⁶ *Ganz v. Lyons Partnership*, 961 F.Supp. 981, 992 (N.D. Tex. 1997) (The fact of "damages must be proved by competent evidence with reasonable certainty . . . 'This means that, at a minimum, opinions or estimates of lost profits must be based on objective facts, figures, or data from which the amount of lost profits can be ascertained.'").

2. By Stepping in Where Legal Remedies Fail, Statutory Damages Fulfill A Classic Role of Equity

Statutory damages were "adopted to avoid the strictness of construction incident to a law imposing penalties, and to give the owner of a copyright some recompense for injury done him, in a case where the rules of law render difficult or impossible proof of damages or discovery of profits." *Douglas*, 294 U.S. at 209. Equitable remedies have always been employed in just such circumstances--where legal remedies fail. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 514 (1947).

As one court examining this issue observed, "Congress has simply authorized by statute what equity courts have long done as a matter of course" *Broadcast Music, Inc. v. Papa John's, Inc.*, 201 U.S.P.Q. 302, 304-05 (N.D. Ind. 1978); see also Supplemental Copyright Act of 1819, 15th Cong. 2d Sess., 3 Stat. 481 (establishing jurisdiction of federal equity courts over copyright actions). "In codifying this remedy, Congress did not remove it from the equitable jurisdiction of the courts, instead, they simply provided guidelines to be used by the courts in the exercise of their discretion." *Id.*

3. Statutory Damages Are Restitutionary In Nature, And Thus Equitable

As this Court has noted, statutory copyright damages are restitutionary. They "compel[] restitution of profit and

reparation for injury." *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952).⁷

In this way, statutory damages are like Title VII backpay awards, which have also been determined to be restitutionary and thus equitable. See *Teamsters Local No. 391 v. Terry*, 494 U.S. 558, 572 (1990); *Curtis v. Loether*, 415 U.S. at 196-97 & n.13 (citing lower court cases holding that backpay awards are equitable). Damages are

⁷ The *Woolworth* Court went on to say that statutory damages are "also . . . designed to discourage wrongful conduct." *F.W. Woolworth*, 344 U.S. at 233. The Eighth Circuit has taken this statement to indicate that they are by nature a penalty. *Cass County Music Co. v. C.H.L.R., Inc.*, 88 F.3d 635, 643 (8th Cir. 1996). When viewed in the context of facts of the *F.W. Woolworth* case and other cases like it, however, this statement does not indicate that statutory damages are punitive. As discussed above, the unique nature of a copyrighted work makes it possible to take it without depriving the owner of its use, and without gaining profits or causing damages that are easily ascertained. See *F.W. Woolworth*, 344 U.S. at 233 (discussing difficulty of determining profits in that case). Given the ease of copying, it is necessary to ensure that it costs more to infringe than to obey the copyright laws, lest statutory damages fail to account fully for the harm done and infringement become an attractive gamble. See *Iowa State University Research Found. v. American Broadcasting Cos.*, 475 F. Supp. 78, 83 (S.D.N.Y. 1979) (setting damages higher than price of work). This court has held that statutory damages are not a penalty. *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 107-08 (1919). That decision has not been overruled, nor should it be given the unique nature of copyrighted works.

characterized as equitable "where they are restitutionary, such as in 'action[s] for disgorgement of improper profits.'" *Terry*, 494 U.S. at 570 (quoting *Tull v. United States*, 481 U.S. 412, 424 (1987)).⁸

III. JUDGES ARE BETTER SUITED TO EXERCISE DISCRETION IN DETERMINING STATUTORY DAMAGES AND TO CARRY OUT COPYRIGHT POLICY

In *Markman v. Westview Instruments*, the Court examined three factors to decide whether judges or juries were better-suited to make the determination at issue:⁹ (1) Are a judge's training and experience especially suited to the determination? (2) Does the jury bring any special competencies to the task? and (3) Would placing the

⁸ The fact that restitutionary remedies are equitable refutes the simplistic argument offered by some that statutory damages are legal merely because they are monetary. "This Court has not . . . held that 'any award of monetary relief must necessarily be 'legal' relief.'" *Terry*, 494 U.S. at 570 (quoting *Curtis*, 415 U.S. at 196).

⁹ Before *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384 (1996), courts and commentators often dismissed the "relative abilities of judges and juries" prong of *Ross* in a perfunctory manner. Characterizing the inquiry as whether a matter was 'too hard' for a jury, they found analysis of this factor unproductive. See, e.g., *Video Views v. Studio 21*, 925 F.2d 1010, 1015 (7th Cir.), cert. denied, 502 U.S. 861 (1991); *Educational Testing Services*, 670 F. Supp. at 1243. This Court's *Markman* decision shows they were misguided in ignoring this factor.

determination in the hands of the judge or the jury better promote the policy underlying the statute?

In *Markman*, the Court first determined that interpreting patent claims required the construction of written instruments, "one of those things that judges often do and are likely to do better than jurors unburdened by training in exegesis." *Markman*, 116 S. Ct. at 1395 (1996). The Court then examined a jury's unique strengths "to evaluate demeanor, . . . to sense the 'mainsprings of human conduct,' [and] . . . to reflect community standards." *Markman*, 116 S. Ct. at 1395 (citations omitted). It determined that these strengths were "much less significant" to determining the meaning of patent claims than the special abilities of a judge. *Id.*

The Court cited the third factor -- promotion of the statutory policy -- as an "independent reason to allocate all issues of construction to the court." *Markman*, 116 S. Ct. at 1396. Nevertheless, the analysis once again weighed the relative abilities of the judge and jury--in this instance to promote the statutory policy, which was uniformity of the patent laws. *Id.* As either an independent factor or as part of an overall analysis of the relative abilities of judges and juries, this factor weighs in favor of holding that judges should determine statutory damages.

Analysis of these factors demonstrates that judges are most competent to decide this issue, that a jury's unique strengths are less significant in determining statutory damages, and that judges are more likely to carry out the congressional intent underlying statutory damages.

A. Judges' Experience And Training Better Suit Them To Determining Statutory Damages

Congress granted broad discretion to determine statutory damages, but, in the end, the court must have some basis for its decision. *Broadcast Music, Inc. v. Star Amusements, Inc.*, 44 F.3d 485, 487 (7th Cir. 1995) (court must state some basis for its determination). Courts have articulated many factors that affect the amount of statutory damages awarded.¹⁰ The opinions usually cite a number of factors influencing the decision, with no one of them being determinative and no mechanistic formula being applied to reach the determination. Courts normally weigh the various factors, employing some method of balancing to determine the amount of the award. See, e.g., *L&L White Metal Casting Corp. v. Cornell Metal Specialties Corp.*, 353 F. Supp. 1170, 1176 (E.D.N.Y. 1972), *aff'd*, 177 U.S.P.Q. 673 (2d Cir. 1973).

Judges are accustomed to using their discretion in weighing a number of elements to reach a just result. In the words of the *Markman* decision, it "is one of those things that judges often do" 116 S. Ct. at 1395.

¹⁰ These include: The expenses saved by the infringer, the profits made by infringer, the revenues lost by the plaintiff, the value of the copyright, the infringer's state of mind, compensating creativity, ensuring that it costs more to violate the copyright laws than it does to comply with them, the number of copies made, and the plaintiff's delay. See Goldstein, *Copyright* § 12.2.1 at 12:35-44 and cases cited therein.

In copyright cases, for example, to determine whether to award injunctive relief, judges must weigh and balance several factors.¹¹ Although the criteria are well-established, there is no mechanical formula for applying them. The judge determines which factors should weigh heaviest, and how they combine to dictate the remedy. This unrestricted weighing and balancing is typical of the functions that are assigned to judges.¹² It is also highly analogous to the decisionmaking process for a determination of statutory damages.

Judges' familiarity with weighing and balancing non-formulaic criteria extends even to awarding monetary relief such as statutory damages. As discussed above, statutory damages are analogous to the Title VII backpay remedy, which is an equitable, judicial remedy. This Court has said that remedy should not be applied "us[ing] stereotyped formula," but instead, with "the freedom given . . . by Congress to attain just results in diverse, complicated situations." *Phelps Dodge Corp. v. NLRB*, 313 U.S. 177, 198 (1941).¹³

¹¹ Although a jury will hear the rest of the case if, for example, actual damages are claimed, the judge must determine whether to award an injunction.

¹² Sidney Shapiro & Richard E. Levy, *Judicial Incentives and Indeterminacy in Substantive Review of Administrative Decisions* 44 Duke L.J. 1051, 1061-62 (1995) ("much of judicial doctrine is indeterminate").

¹³ The Court was specifically addressing the backpay provisions of the National Labor Relations Act. Title VII backpay provisions were expressly modeled on that remedy. *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 419 & n.11

This experience in discretionary weighing and balancing is only one of several resources on which judges can draw to aid in determining statutory damages. Unlike a jury, a judge can look to his or her own previous experience and that of colleagues in copyright and other commercial cases. A judge can study reported decisions in which colleagues have considered the amount of statutory damages to award. A judge can also study the purpose of the statute, as expressed in legislative history and case law.

A judge's training, experience, and resources thus make a judge particularly well-suited to determining statutory damages. The Act gives the court great discretion to do so, and the judge's background ensures that this discretion is exercised prudently.

B. Juries Bring No Special Competencies To Determining Statutory Damages

A jury, in contrast to a judge, is not well-prepared to determine statutory damages. A lay jury likely never has given serious consideration to the policies underlying copyright infringement, nor has it ever engaged in the type of weighing and balancing that judges are accustomed to doing.

A jury's lack of experience in such matters is not a disadvantage in most instances. Through jury instructions, they are given guidance as to what outcomes are dictated by the facts that they find. Moreover, juries are valued for the special competencies cited in *Markman*: Their ability to discern credibility, understand human behavior, and "to reflect community standards." 116 S. Ct. at 1395.

(1975).

The determination of statutory damages is so fully committed to discretion, however, that little, if any, guidance can be given to the jury through instruction in the law. One might attempt to list for a jury the various factors that judges have listed in their opinions, but juries have no experience in the art of applying multi-factored balancing tests. Jurors would be unsure as to what weight to give to the various factors or how to reconcile them.¹⁴

The task of determining statutory damages starkly contrasts with other tasks a jury performs. Typically, a jury examines evidence, weighs its credibility, and determines whether the necessary burden of proof is met. A statutory damages claim normally presents few opportunities to examine evidence or determine its credibility. Nor is the burden of proof conventional. Statutory damages are designed to free the fact-finder from precisely that which typically binds juries--a strict basis in proven fact. "A jury that cannot understand the evidence and the legal rules to be applied provides no reliable safeguard against erroneous decisions." *In re Japanese Electronic Products Antitrust Litigation*, 631 F.2d 1069, 1084 (3d Cir. 1980), *rev'd on other grounds*, 475 U.S. 574 (1986).

Finally, a determination of statutory damages does not draw on jurors' insight into human conduct or on their

¹⁴ "The jurors are taken from the body of the country... They are second-hand dealers in law, and must get it from the judge. They can supply nothing themselves; they are a mere conduit pipe through which the court supplies the law that goes into the general verdict." *Skidmore v. Baltimore & O.R. Co.*, 167 F.2d 54, 60, 64 (2d Cir.), *cert. denied*, 335 U.S. 816 (1948).

experience as members of the community. The award is much more likely to turn on esoteric considerations like the value of the copyright or the policy of rewarding the creators of intellectual property.

C. Judges Will Better Understand And Carry Out The Policies Underlying Statutory Damages

"In cases where the evidence provides few if any clues for approximating actual damages and profits, courts often turn to the underlying rationale for statutory damages--sustaining copyright incentives while deterring infringement." Goldstein, *Copyright* § 12.2.1. Of course, this rationale must be understood in light of the overall purpose of the copyright laws: To provide enough protection to reward and thus encourage the work of creators and innovators without providing so much protection that it stifles the work of others. *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

This task is not simple. Goldstein, *Copyright* § 1.14.1 at 1:43-45 (discussing difficulty of achieving this balance); Ian Novos & Michael Waldman, *The Effects of Increased Copyright Protection*, 92 J. Pol. Econ. 236 (1984) (empirically demonstrating difficult tradeoffs). The complexity of it does not necessarily make it unsuitable for a jury--after all, juries decide cases in which the plaintiff claims actual damages. In those cases, however, the policies underlying the copyright laws are carried out through the specific duties and instructions given to the jury.

In a statutory damages case, the task of vindicating these policies is discretionary, requiring a balancing of interests. Jury instructions or the closing arguments of the

parties are unlikely to adequately illuminate this difficult balancing of interests. In contrast, a judge regularly balances interests and either will be familiar with the statutory policies or can achieve such familiarity for the case at hand. A judge is thus more likely to promote the values underlying the copyright laws through an exercise of discretion.

A judicial determination of statutory damages is also more likely to promote the values of predictability and uniformity.¹⁵ When judges decide statutory damages, they must provide reasons for their decision. *Video Views*, 925 F.2d at 1016. Although other courts are free to exercise their discretion, they can look to earlier decisions for guidance. Similarly, attorneys can look to the same opinions to provide counsel to their clients.

As this Court has noted in a different context, consistency is an important goal, even where Congress has granted discretion: "Important national goals would be frustrated by a regime of discretion that 'produce[d] different results for breaches of duty in situations that cannot be differentiated in policy.'" *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 417 (1973). "Uncertainty of this sort can cause a balancing test to send either too weak or too strong a signal." Jason S. Johnson, *Uncertainty, Chaos, and the Torts Process: An Economic Analysis of Legal Form*, 76 Cornell L. Rev. 341, 357 (1991). It is thus important that the responsibility to exercise discretion to award statutory

¹⁵ Although uniformity and predictability are most often seen as essential to the patent system, see *Markman*, 116 S. Ct. at 1396, they are also essential to the copyright system. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989).

damages not be placed in the hands of juries, which lack the ability of judges to implement the underlying policies or the opportunity to explain their decisions for future use.¹⁶

CONCLUSION

For the foregoing reasons, the judgment of the Court of Appeals should be affirmed.

Respectfully submitted,

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¹⁶ Much is at stake. A large part of the value of the U.S. entertainment industry, for example, consists of copyrighted works. Moreover, copyrights are increasingly important to American technological innovation, as they are used to protect software and other technology. See, e.g., *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807 (1st Cir. 1995), *aff'd by an equally divided court*, 516 U.S. 233 (1996).